



Amendment No. 3  
to  
Contract No. NA170000203  
For  
Retiree Dental DMO Plan  
between  
Sun Life Financial, Dba Sun Life Assurance Company of Canada  
and the  
City of Austin

- 1.0 The City hereby exercises the extension option for the above-referenced contract. Effective January 1, 2021, to December 31, 2021. One option remains.
- 2.0 The total contract amount is increased by \$167,329.00 for this extension option period. The total Contract authorization is recapped below :

Term	Action Amount	Total Contract Amount
Basic Term: 01/01/2018 – 12/31/2020	\$478,346.00	\$478,346.00
Amendment No. 1: Administrative Increase 04/03/2019	\$61,000.00	\$539,346.00
Amendment No. 2: Rates Effective 01/01/2020 and a 36 – Month Rate Guarantee 10/11/2019	\$0.00	\$539,346.00
Amendment No. 3: Option 1 - Extension 01/01/2021 – 12/31/2021	\$167,329.00	\$706,675.00

- 3.0 MBE/WBE goals were established for this contract.
- 4.0 By signing this Amendment, the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this Amendment is hereby incorporated into and made a part of the above-referenced contract.

Signature & Date:

Printed Name: David Jorissen  
Authorized Representative

Printed Name: Dianna D. Duvall  
Vice President  
Sun Life Financial  
Dba Sun Life Assurance Company of Canada  
One Sun Life Executive Park  
Wellesley Hills, MO 02481  
[Dianna.duvall@sunlife.com](mailto:Dianna.duvall@sunlife.com)

Signature & Date:

**Cyrenthia Ellis**

Digitally signed by Cyrenthia Ellis  
DN: cn=Cyrenthia Ellis, o=City of Austin,  
ou=Purchasing Office,  
email=Cyrenthia.Ellis@austintexas.gov,  
c=US  
Date: 2020.09.18 15:14:51 -0500

Cyrenthia Ellis, Procurement Manager  
City of Austin  
Purchasing Office

Printed Name: Joi A. Tillman  
Vice President  
Sun Life Financial  
Dba Sun Life Assurance Company of Canada  
One Sun Life Executive Park  
Wellesley Hills, MO 02481  
[Joi.tillman@sunlife.com](mailto:Joi.tillman@sunlife.com)



Amendment No. 2  
to  
Contract No. NA170000203  
for  
Retiree Dental DMO Plan  
between  
Sun Life Financial D/B/A Sun Life Assurance Company of Canada  
and the  
City of Austin

- 1.0 The City hereby amends the above referenced contract with the following:  
1.1 Contractor letter dated September 26, 2019, Exhibit A, for rates effective on January 1, 2020 and a guarantee of rates for 36-months for all plans.
- 2.0 The total contract amount is increased by \$0.00. The total contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Initial Term: 01/01/2018 – 12/31/2020	\$478,346.00	\$478,346.00
	\$478,346.00 +\$61,000.00	
Amendment No. 1: Administrative Increase	\$539,346.00	\$539,346.00
Amendment No. 2: Rates effective 1/1/2020 and a 36-month rate guarantee 10/11/2019	\$0.00	\$539,346.00

- 3.0 By signing this Amendment, the Contractor certifies that the vendor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 4.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Sign/Date: Stacia Almquist 10/11/19

Printed Name: Stacia Almquist  
Authorized Representative

Sun Life Financial  
D/B/A Sun Life Assurance Company of Canada  
One Sun Life Executive Park  
Wellesley Hills, MO 02481

[stacia.almquist@sunlife.com](mailto:stacia.almquist@sunlife.com)  
[Dianna.duvall@sunlife.com](mailto:Dianna.duvall@sunlife.com)

Sign/Date: Lynette Hicks

Lynette Hicks  
Procurement Specialist IV

City of Austin  
Purchasing Office  
124 W. 8<sup>th</sup> Street, Ste. 310  
Austin, Texas 78701  
[Lynette.Hicks@austin.texas.gov](mailto:Lynette.Hicks@austin.texas.gov)



Amendment No. 1  
to  
Contract No. 5800 NA170000203  
for  
Retiree Dental DMO Plan  
between  
Sun Life Financial D/B/A Sun Life Assurance Company of Canada  
and the  
City of Austin

1.0 The City hereby administratively increases the contract by an additional \$61,000.00

The total contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Amendment No. 1: Administrative Increase	\$478,346.00 +\$ 61,000.00 \$539,346.00	\$539,346.00

2.0 MBE/WBE goals do not apply to this contract.

3.0 By signing this Amendment the Contractor certifies that the vendor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

4.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Sign/Date: Stacia Almquist 4/13/19

Printed Name: Stacia Almquist  
Authorized Representative

Sun Life Financial  
D/B/A Sun Life Assurance Company of Canada  
Stacia Almquist  
One Sun Life Executive Park  
Wellesley Hills, MO 02481  
816-556-7326  
[Stacia.almquist@sunlife.com](mailto:Stacia.almquist@sunlife.com)  
[Dianna.duvall@sunlife.com](mailto:Dianna.duvall@sunlife.com)

Sign/Date: Lynnette Hicks

Lynnette Hicks  
Procurement Specialist IV  
City of Austin  
Purchasing Office  
124 West 8<sup>th</sup> Street, Suite. 310  
Austin, Texas 78701  
[Lynnette.Hicks@austintexas.gov](mailto:Lynnette.Hicks@austintexas.gov)

**CONTRACT BETWEEN THE CITY OF AUSTIN ("City")  
AND  
Sun Life Assurance Company of Canada ("Contractor")  
for  
Retiree Dental DMO Plan  
MA 5800 NA170000203**

The City accepts the Contractor's Offer (as referenced in Section 1.1.3 below) for the above requirement and enters into the following Contract.

This Contract is between Sun Life Assurance Company of Canada having offices at One Sun Life Executive Park, Wellesley Hills, MA 0248, administrator for products underwritten by United Dental Care of Texas, Inc. and the City, a home-rule municipality incorporated by the State of Texas, and is effective as of the date executed by the City ("Effective Date").

Capitalized terms used but not defined herein have the meanings given them in Solicitation Number RFP EAD0131.

- 1.1 **This Contract is composed of the following documents:**
  - 1.1.1 This Contract
  - 1.1.2 The City's Solicitation, Request for Proposal (RFP), EAD0131 including all documents incorporated by reference
  - 1.1.3 Sun Life Financial's Offer, dated April 24, 2017, including subsequent clarifications
- 1.2 **Order of Precedence.** Any inconsistency or conflict in the Contract documents shall be resolved by giving precedence in the following order:
  - 1.2.1 This Contract
  - 1.2.2 The City's Solicitation as referenced in Section 1.1.2, including all documents incorporated by reference
  - 1.2.3 The Contractor's Offer as referenced in Section 1.1.3, including subsequent clarifications.
- 1.3 **Term of Contract.** The Contract will be in effect for an initial term of thirty-six (36) months and may be extended thereafter for up to two (2) twelve (12) month extension option(s), subject to the approval of the Contractor and the City Purchasing Officer or his designee. See the Term of Contract provision in Section 0400 for additional Contract requirements.
- 1.4 **Compensation.** The Contractor shall be paid a total Not-to-Exceed amount of \$478,346 for the initial Contract term, \$167,329 for the first extension option, \$173,913 for the second extension option, for a total contract amount Not-to-Exceed \$819,588. Payment shall be made upon successful completion of services as outlined in each individual Delivery Order.
- 1.5 **Quantity of Work.** There is no guaranteed quantity of work for the period of the Contract and there are no minimum order quantities. Work will be on an as needed basis as specified by the City for each Delivery Order
- 1.6 **Clarifications and Additional Agreements.** The following are incorporated into the Contract.

Rates for each plan year are designated below.

DMO/PRE-PAID PLAN DESIGN DENTAL RATE FORM					
Classification of Eligible Subscriber	Monthly Rate for Plan Year 2018	Monthly Rate for Plan Year 2019	Monthly Rate for Plan Year 2020	Monthly Rate for Plan Year 2021	Monthly Rate for Plan Year 2022
Retiree Only	\$10.14	\$10.14	\$10.14	\$10.44	\$10.75
Retiree Plus One	\$16.64	\$16.64	\$16.64	\$17.14	\$17.65
Retiree & Family	\$25.77	\$25.77	\$25.77	\$26.54	\$27.33

**For Purposes of Rates.**

Retiree Only could also be:	A Surviving Spouse or Surviving Dependent
Retiree Plus One could also be:	A Surviving Spouse & a Dependent or Two Surviving Dependents
Retiree & Family could also be:	A Surviving Spouse & 2 or more Surviving Dependents or 3 or more Surviving Dependents

Attachment\_Q610: Rate Form BAFO

**1.6.1 Exhibit A – Sun Life Financial BAFO responses**

This Contract (including any Exhibits) constitutes the entire agreement of the parties regarding the subject matter of this Contract and supersedes all prior and contemporaneous agreements and understandings, whether written or oral, relating to such subject matter. This Contract may be altered, amended, or modified only by a written instrument signed by the duly authorized representatives of both parties.

In witness whereof, the City has caused a duly authorized representative to execute this Contract on the date set forth below.

**SUN LIFE FINANCIAL**

**CITY OF AUSTIN**

Dianna Duvall Joi Tillman  
Printed Name of Authorized Person

Erin D'Vincent  
Printed Name of Authorized Person

Dianna Duvall Joi Tillman  
Signature

Erin D'Vincent  
Signature

Vice President Vice President  
Title:

Procurement Specialist IV  
Title:

10/11/2017  
Date:

10.12.17  
Date:



City of Austin – Clarification on Proposal and Offering RFP EAD0131, Retiree Dental

Clarifications include:

Confirm the number of general dentists contracted for both the DHMO and DPO for Central Texas and Austin specifically

**PPO: 847**

**DHMO: 113**

**Data is based on the Austin-Round Rock- MSA that includes both Central Texas and Austin.**

Confirm the number of specialists contracted for both the DHMO and DPO for Central Texas and Austin specifically

**PPO: 278**

**DHMO: 75**

**Data is based on the Austin-Round Rock- MSA that includes Central Texas and Austin.**

Confirm the number of dentists added and dropped in the past 12 months in Central Texas and the Austin area for the DHMO and DPO

**This number represents the net change/growth since March of 2016: Prepaid/DHMO: 112 PPO: 855**

Provide the ratio of dentists and specialists for both DHMO and DPO in Central Texas and the Austin area

**PPO: 18:20,269 (General Dentist & Specialist)**

**DHMO: 35:6,580 (General Dentist & Specialist)**

Verify dependent coverage up to age 26 years as our current carrier

**Confirm**

Clarify the customer service hold time information

**Average hold time before a CSR is available: 30 seconds\***

*\* Based on cases with higher than block call performance requirements, including City of Austin*

Provide references for both types of plans and clarify which references are for which plan (DHMO and DPO)

**The following references currently have PPO and DHMO.**

**State of Oklahoma**

**Paul King**

**OMES Privacy Officer | EGID Chief Compliance Officer**

**Office of Management and Enterprise Services**

**Paul.King@omes.ok.gov**

**405-717-8880 desk**

**Public Employees Benefits Cooperative (PEBC)**

**Diana Kongevick, Executive Director**

**dkongevick@pebcinfo.com**

**817.695.9141**

**Travis County**

**Shannon Steele, Benefits Manager**

**Shannon.Steele@traviscountytx.gov**

**Direct - 512.854.6046**

EXHIBIT A

Confirm that Sun Life will remove any membership enrollment requirements for the duration on the contract (2018-2022)  
**Confirm**

Does Sun Life agree to Liquidated Damages in the 0400 page 3 of 6, Section 5. listed in the 0625 Performance Measures  
**Confirm.**

Confirm acceptance and sign the HIPAA document on Section 0640

**Since we are a covered entity under HIPAA, we do not think a business associate agreement is required. Regulators commented on this specific topic twice, once when the HIPAA regulations were first enacted in 2000. They specifically stated:**

*[W]here a group health plan purchases insurance or coverage from a health insurance issuer or HMO , the provision of insurance by the health insurance issuer or HMO to the group health plan does not make the issuer a business associate. In such case, the activities of the health insurance issuer or HMO are on their own behalf and not on the behalf of the group health plan .65 FR 82476 (2000)*

**Additionally, the Department of Health and Human Services (HHS) confirmed this position in its discussion of the recently enacted HITECH regulations .**

**A business associate agreement is not required where a covered entity purchases a health plan product or other insurance . . . from an insurer. 78 FR 5575 (2013)**

**Based on the above statements by HHS, we do not think the business associate agreement is necessary or appropriate.**

Confirm the match the current out of pocket copays for the retirees on the DHMO plan

**Yes- We are offering to renew the current Heritage prepaid/DHMO plan. The copays will remain the same.**

Confirm agreement to the Performance Measures without any exception

**Yes- As stated on 0625: Performance Measures document.**

**BAFO  
 0610: RATE FORM  
 SOLICITATION NUMBER: RFP EAD0131**

PPO/INDEMNITY DENTAL RATE FORM					
Plan Option:	\$50 Deductible, \$1,000 Annual Plan Maximum Dental Plan Design				
Classification of Eligible Subscriber	Monthly Rate for Plan Year 2018	Monthly Rate for Plan Year 2019	Monthly Rate for Plan Year 2020	Monthly Rate for Plan Year 2021	Monthly Rate for Plan Year 2022
Retiree Only	\$28.82	\$28.82	\$28.82	7% cap	7% cap
Retiree Plus One	\$60.68	\$60.68	\$60.68	7% cap	7% cap
Retiree & Family	\$88.82	\$88.82	\$88.82	7% cap	7% cap
ALTERNATE PLAN: PPO/INDEMNITY DENTAL RATE FORM					
Optional Plan					
Classification of Eligible Subscriber	Monthly Rate for Plan Year 2018	Monthly Rate for Plan Year 2019	Monthly Rate for Plan Year 2020	Monthly Rate for Plan Year 2021	Monthly Rate for Plan Year 2022

EXHIBIT A

Retiree Only					
Retiree Plus One					
Retiree & Family					
DMO/PRE-PAID PLAN DESIGN DENTAL RATE FORM					
Classification of Eligible Subscriber	Monthly Rate for Plan Year 2018	Monthly Rate for Plan Year 2019	Monthly Rate for Plan Year 2020	Monthly Rate for Plan Year 2021	Monthly Rate for Plan Year 2022
Retiree Only	\$10.14	\$10.14	\$10.14	3% cap	3% cap
Retiree Plus One	\$16.64	\$16.64	\$16.64	3% cap	3% cap
Retiree & Family	\$25.78	\$25.78	\$25.78	3% cap	3% cap

For Purposes of Rates.

Retiree Only could also be:	A Surviving Spouse or Surviving Dependent
Retiree Plus One could also be:	A Surviving Spouse & a Dependent or Two Surviving Dependents
Retiree & Family could also be:	A Surviving Spouse & 2 or more Surviving Dependents or 3 or more Surviving Dependents

Attachment 0610: Rate Form BAFO

EXHIBIT A

CITY OF AUSTIN  
 0625: PERFORMANCE MEASURES  
 SOLICITATION NUMBER: RFP EAD0131

	PERFORMANCE MEASURE	ACCEPTABLE PERFORMANCE	LIQUIDATED DAMAGES	AGREE YES/NO
1.	<p>City's satisfaction with implementation. Includes Customer Service line operational prior to the beginning of Open Enrollment.</p> <p>Poor implementation may result in claims not being processed timely and correctly effective January 1.</p>	<p>The Contractor will be fully operational as of 12:01 a.m., January 2, 2018</p>	<p>2% of the total annual contract amount. The Contractor's failure to meet this measure shall result in the Contractor's payment to the City.</p>	<p>Yes- We will be operational, including ability to verify eligibility, verify benefits, and process claims, as of 12:01 am on January 1, 2018 contingent upon the receipt of complete group and covered persons' information being received by November 27, 2017.</p>
2.	<p>Accurate ID Cards shall be mailed and received at members' homes no later than December 31<sup>st</sup> of each year if new enrollees.</p> <p>Members expect cards with group and individual ID number prior to accessing benefits through providers.</p>	<p>98%</p>	<p>1% of the total annual contract amount.</p> <p>The Contractor's failure to meet this measure shall result in the Contractor's payment to the City.</p>	<p>Yes- Contingent upon the receipt of complete group and covered persons' information being received by November 27, 2017. ID cards have the Group ID number, Plan name, Group name and a place for the covered persons' signature. We do not include Social Security number</p>

EXHIBIT A

				or subscriber identifier on the ID cards.
3.	90% of all clean claims processed within 10 business days and 100% of claims be processed within 20 business days of receipt.		1% of the total annual contract amount.	<i>Yes- Prepaid plan is member co-pay driven and typically has few claim submissions. Generally, we receive only emergency and out of network claims in accordance with the Plan parameters.</i>
4.	Contractor staff shall be at all Open Enrollment and other requested presentations.  If Contractor is not at meetings City staff has to present the retiree dental plan.	100%	1% of the total annual contract amount.  The Contractor's failure to meet this measure shall result in the Contractor's payment to the City.	Yes
5.	Employee Benefits staff satisfaction survey  Employee Benefits staff assist with employee, retiree, and dependent, customer service and claims. If claims are not processed timely and accurately Benefits staff will spend time assisting with claims.  Payments paid out quarterly.	Average or above	2% of total annual contract amount quarter. If the Client Satisfaction Survey result ratings are "poor" or "unacceptable" and therefore fail to meet this measure, it will result in the Contractor's payment to the City.	Yes

Life's brighter under the sun



City of Austin  
Solicitation No. RFP EAD0131

Matt Hershberger | Senior Employee Benefits Representative  
Cell: 713.553.4623 | [Matt.Hershberger@sunlife.com](mailto:Matt.Hershberger@sunlife.com)  
<http://www.sunlife.com/us>

Sun Life Assurance Company of Canada  
One Sun Life Executive Park  
Wellesley Hills, MA 02841



# City of Austin- Retirees

## Table of Contents

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### Section I

#### City of Austin Purchasing Office Documents

• Signed Offer Sheet	Tab 1 Exhibit 1a
• Section 0605 Local Business Presence Identification Form	Exhibit 1b
• Section 0800 Non-Discrimination and Non-Retaliation Certification	Exhibit 1c
• Section 0835 Non-Resident Bidder Provisions Form	Exhibit 1d
• Section 0900 (MBE/WBE) No Goals Form	Exhibit 1e
• Section 0820 Living Wages	Exhibit 1f
• Conflict of Interest	Exhibit 1g
• Addendums 1-4	Exhibit 1h
• Form 1295	Exhibit 1i

#### Authorized Negotiator

Tab 2

#### References

Tab 3

#### Executive Summary

Tab 4

#### Personnel

Tab 5

#### Human Resource Department Required Forms

• Section 0608 Provider Network Form	Tab 6 Exhibit 6a
• Sample identification card	Exhibit 6b
• Section 0615 Customer Service Form	Exhibit 6c
• Section 0620 Business Organization Form UDC of TX Certificate of Authority USIC Certificate of Authority	Exhibit 6d
• Section 0625 Performance Measures	Exhibit 6e
• Section 0630 Exceptions Scope of work Insurance requirements Sample GDSA	Exhibit 6f
• Section 0640 HIPAA Business Associate Agreement	Exhibit 6g

### Section II

#### 0610 Design Rate Sheet

• Prepaid Proposal	Tab 7 Exhibit 7a
• PPO Proposal	Exhibit 7b
• Sample PPO Certificate of Insurance	Exhibit 7c
• Sample Prepaid Evidence of Coverage	Exhibit 7d

The undersigned, by his/her signature, represents that he/she is submitting a binding offer and is authorized to bind the respondent to fully comply with the solicitation document contained herein. The Respondent, by submitting and signing below, acknowledges that he/she has received and read the entire document packet sections defined above including all documents incorporated by reference, and agrees to be bound by the terms therein.

Company Name: Sun Life Assurance Company of Canada

Company Address: One Sun Life Executive Park

City, State, Zip: Wellesley Hills, MA 02481

Federal Tax ID No.

Printed Name of Officer or Authorized Representative: Scott Francis Beliveau

Title: Senior Vice-President, Group and Voluntary Business, SLF U.S

Signature of Officer or Authorized Representative: 

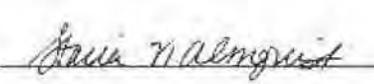
Date: April 24, 2017

Email Address: [Scott.Beliveau@sunlife.com](mailto:Scott.Beliveau@sunlife.com)

Phone Number: 781-446-1550 ext.3031550

Printed Name of Officer or Authorized Representative: Stacia N. Almquist

Title: Vice-President, Dental and Vision

Signature of Officer or Authorized Representative: 

Date: April 24, 2017

Email Address: [Stacia.Almquist@sunlife.com](mailto:Stacia.Almquist@sunlife.com)

Phone Number: 816-556-7626

**\* Proposal response must be submitted with this Offer sheet to be considered for award**



**ADDENDUM  
CITY OF AUSTIN, TEXAS**

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**Solicitation: EAD0131**

**Addendum No: 1**

**Date of Addendum: 04/03/17**

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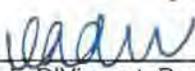
**This addendum is to incorporate the following questions and answers to the above referenced solicitation:**

**1.0 Questions and Answers:**

- 1.1 (Q) Please provide full census in excel for rating purposes.  
(A) The document is available on page 37 of the solicitation documents.
- 1.2 (Q) Please provide claims experience for both the Pre-Paid plan and the PPO plan including premium and claims for 2016 corresponding to solicitation Attachment A. – Monthly lives  
(A) See attached for the claims experience for PPO. There is not a document for the Pre-Paid.
- 1.3 (Q) Please confirm the pre-proposal conference is available to attend in person.  
(A) Correct.
- 1.4 (Q) Does the City utilize the services of a broker or agent and if so, what is the commission % included in the rates?  
(A) The City doesn't utilize a broker or agent.

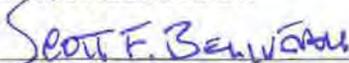
**2.0 ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.**

APPROVED BY:

  
Erin D'Vincent, Procurement Specialist IV  
Purchasing Office, 512-974-3070

4-3-17  
Date

ACKNOWLEDGED BY:

  
Name

  
Authorized Signature

4/24/17  
Date

**RETURN ONE COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH YOUR RESPONSE OR PRIOR TO THE SOLICITATION CLOSING DATE. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION.**



**DELTA DENTAL INSURANCE COMPANY**  
**MONTHLY FINANCIAL EXPERIENCE**  
**CITY OF AUSTIN RETIREES**  
**Group Number: 04233**

**Paid and Incurred Period: January 1, 2015 - December 31, 2016**

Date	Premium	Administration	Incurred Claims*	Enrollee Only	Enrollee + 1 Dependent	Enrollee + 2 or more Dependents	Total Primary Enrollees	Adult Dependents	Child Dependents	Total Members
Jan-15	\$136,429	\$17,790	\$125,299	1,555	976	366	2,897	1,199	754	4,850
Feb-15	\$138,353	\$18,041	\$126,646	1,574	989	372	2,935	1,212	772	4,919
Mar-15	\$139,509	\$18,192	\$117,223	1,589	992	378	2,959	1,220	781	4,960
Apr-15	\$140,723	\$18,350	\$123,801	1,596	999	383	2,978	1,230	789	4,997
May-15	\$141,940	\$18,509	\$112,057	1,604	1,006	390	3,000	1,244	801	5,045
Jun-15	\$142,856	\$18,628	\$116,784	1,617	1,013	394	3,024	1,250	810	5,084
Jul-15	\$143,538	\$18,717	\$109,331	1,623	1,016	396	3,035	1,255	811	5,101
Aug-15	\$144,006	\$18,778	\$106,111	1,635	1,012	400	3,047	1,253	817	5,117
Sep-15	\$144,530	\$18,846	\$107,669	1,641	1,014	403	3,058	1,258	823	5,139
Oct-15	\$145,166	\$18,929	\$107,256	1,644	1,026	400	3,070	1,270	819	5,159
Nov-15	\$145,338	\$18,952	\$86,027	1,656	1,025	398	3,079	1,270	812	5,161
Dec-15	\$145,066	\$18,916	\$115,454	1,661	1,025	394	3,080	1,268	800	5,148
Jan-16	\$148,232	\$19,329	\$158,002	1,765	1,062	398	3,225	1,309	815	5,349
Feb-16	\$149,298	\$19,468	\$141,305	1,724	1,060	399	3,183	1,307	811	5,301
Mar-16	\$149,576	\$19,504	\$134,613	1,727	1,068	398	3,193	1,314	807	5,314
Apr-16	\$150,373	\$19,608	\$118,288	1,738	1,074	395	3,207	1,317	806	5,330
May-16	\$151,146	\$19,709	\$114,431	1,745	1,078	400	3,223	1,324	819	5,366
Jun-16	\$152,010	\$19,822	\$132,194	1,750	1,084	406	3,240	1,335	827	5,402
Jul-16	\$152,876	\$19,935	\$114,715	1,762	1,092	404	3,258	1,343	828	5,429
Aug-16	\$153,495	\$20,015	\$133,381	1,768	1,095	408	3,271	1,351	832	5,454
Sep-16	\$154,213	\$20,109	\$97,558	1,774	1,104	406	3,284	1,358	835	5,477
Oct-16	\$154,465	\$20,142	\$104,037	1,778	1,115	402	3,295	1,366	834	5,495
Nov-16	\$154,903	\$20,199	\$101,846	1,784	1,114	405	3,303	1,368	831	5,502
Dec-16	\$155,484	\$20,275	\$118,489	1,784	1,118	405	3,307	1,373	830	5,510
<b>Total</b>	<b>\$3,533,523</b>	<b>\$460,760</b>	<b>\$2,822,513</b>	<b>40,494</b>	<b>25,157</b>	<b>9,500</b>	<b>75,151</b>	<b>30,994</b>	<b>19,464</b>	<b>125,609</b>

Note: The number of primary enrollees may change to include retroactive additions and/or deletions in eligibility.

\* Includes estimate for incurred but unreported (IBUR).



**ADDENDUM  
CITY OF AUSTIN, TEXAS**

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**Solicitation: EAD0131**

**Addendum No: 2**

**Date of Addendum: 04/07/17**

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This addendum is to incorporate the following questions and answers to the above referenced solicitation:

**1.0 Questions and Answers:**

- 1.1 (Q) May this solicitation award go to more than one vendor?  
(A) Yes, the City may award to more than one vendor if the City deems that to be in our best interest.
- 1.2 (Q) The rate sheet lists six (6) years of service, should this be listed as five (5) years of service?  
(A) The revised rate sheet will be updated to five (5) years of service with this addendum.
- 1.3 (Q) Would the City prefer a specific rate schedule?  
(A) The City requires the first thirty-six (36) months of rates to be guaranteed.  
The City will evaluate the rate schedule for each of the five (5) years of service to determine award.
- 1.4 (Q) Please provide a listing in Excel format of each eligible retiree, including each retiree who was eligible but waived. The listing should show each retiree's 2017 dental election (PPO/DHMO/No Coverage), rating tier (Single/Couple/Family etc.), gender, zip code of residence, and date of birth.  
(A) Detailed census data is attached with this addendum.
- 1.5 (Q) Will network requirements need to be included with the contractors proposal?  
(A) No.
- 1.6 (Q) Is there a dental certificate available?  
(A) No.
- 1.7 (Q) Does the contractor need to own their own network?  
(A) Yes, but a wrap-around network will be acceptable to service outlying areas.
- 1.8 (Q) Will a proposal extension be provided at this time?  
(A) This solicitation will not be extended at this time.  
If this solicitation is extended in the future, an addendum will be published as necessary.
- 1.9 (Q) If a dental cert is not available, is there a dental benefit summary available that has a detailed breakdown of the benefits? (For ex: are implants covered, is endo/perio covered under basic or major, etc.) Understanding what the current frequencies are would be helpful as well.

Revised 12/13/2015

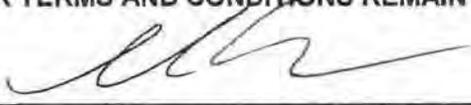
- (A) Please see the 2017 Retirees and Surviving Dependents Guide on pages 23-25.
- 1.10 (Q) For each of the PPO & DHMO, please provide a complete benefit booklet/evidence of coverage/schedule of benefits.  
 (A) Evidence of coverage is unavailable. The 2017 Retirees & Surviving Dependents Guide is provided in the RFP on pages 23-25.
- 1.11 (Q) Have there been any plan design changes over the past 36 months?  
 (A) No.
- 1.12 (Q) For the PPO, please provide CY2014 month by month experience data showing earned premium dollars, paid claim dollars, number of claims, & number of enrolled lives in each rating tier.  
 (A) The City is still obtaining information at this time. The information will be provided via an addendum once it's available.
- 1.13 (Q) For the PPO, please provide all the other tabs of the Delta Risk Report package/utilization reporting package.  
 (A) This information is considered proprietary information and will not be released.
- 1.14 (Q) For each of the PPO & DHMO, please provide the inforce rates for each of 2012 thru 2016.  
 (A) Rate history:  
 No rate increase for PPO:  
 1/1/12 – 2/31/14. Retiree only: \$27.33, Retiree & one dep: \$57.50, Retiree & Family: \$84.20.  
 1-1/15 – 12/31/16 Retiree only: \$28.83, Retiree & one dep: \$60.66, Retiree & Family: \$88.83  
 1/1/17 – 12/31/17 No rate increase.  
  
 DHMO:  
 1/1/2012 -12/31/2012 Retiree only: \$10.14, Retiree and one dep: \$16.64, Retiree & Family \$26.67  
 1/1/2013 – 12/31/2017 – Retiree only: \$10.14, Retiree and one dep: \$16.64, Retiree & Family \$25.77 (Rates have remained the same since 2013)
- 1.15 (Q) For the PPO, what is the UCR basis for the out-of-network coverage? [examples might be 90th percentile of charges, 80th percentile of charges, or UCR is pegged to the Premier fee schedule].  
 (A) Reimbursement is based on DPO contracted fees for DPO dentists, Premier contracted fees for Premier dentists and program allowance for non-Delta Dental dentists, (MPA-maximum plan allowance).
- 1.16 (Q) For each of the PPO network & Premier network, over CY2016, what percent of the total submitted charges were from the dentists in each network?  
 (A) Total submitted = 4,261,285. PPO submitted of 1,660,635 at 39% and Premier submitted of 1,114,827 at 26% and out of network submitted of 1,485,823 (tab 5).
- 1.17 (Q) For each of the PPO network & Premier network, over CY2016, what percent of the net submitted charges in each network were categorized as "Provider Savings" due to fee agreements and non-billable charges?  
 (A) PPO savings \$525,488 and Premier savings \$245,519 (tab 5).

- 1.18 (Q) For the DHMO, please provide 3-years of month by month experience data showing earned premium dollars, number of enrolled lives in each rating tier, paid claim dollars including capitation & any other provider costs.  
 (A) Please see attached document: Assurant Claims Information -3 years.
- 1.19 (Q) For the PPO, please provide the month-by-month claims on a 'paid' basis as opposed to 'incurred' basis.  
 (A) 2016 report attached, tab 1.
- 1.20 (Q) Regarding Section III of Proposal Format, please clarify if proposers are required to provide more than a brief narrative describing if and by which definition they have a local business presence, as this section of the RFP appears largely informational.  
 (A) No.
- 1.21 (Q) Regarding Section IV of Proposal Format, please clarify if proposers are required to provide any response, as this section of the RFP appears to be only informational.  
 (A) No. The response to these items is to be listed within each Tab of Sections I & II.
- 1.22 (Q) Under RFP Section 0608: Provider Network Information, please clarify whether the City would like us to provide provider information as of March, 2016 as stated or statistics as of March, 2017.  
 (A) 2017.
- 1.23 (Q) Please define in specific terms what the City considers to be a leased network.  
 (A) The City's expectation is the vendor owns 75% of the network. If a wrap network is necessary for outlying areas the City has no concern.

2.0 Pre-Proposal Conference Sign-In Sheet added.

3.0 ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

APPROVED BY:



Marty James, Procurement Specialist II  
 Purchasing Office, 512-974-3164

04-07-2017  
 Date

ACKNOWLEDGED BY:

SCOTT F. BAWENY  
 Name

  
 Authorized Signature

4/24/17  
 Date

**RETURN ONE COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH YOUR RESPONSE OR PRIOR TO THE SOLICITATION CLOSING DATE. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION.**



**ADDENDUM  
CITY OF AUSTIN, TEXAS**

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**Solicitation: EAD0131**

**Addendum No: 3**

**Date of Addendum: 4/12/17**

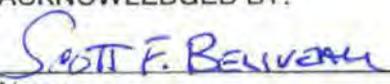
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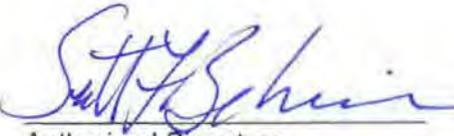
This addendum is to incorporate the following changes to the above referenced solicitation:

- I. **Clarifications:** The City is still working on the answer for question 1.12 in Addendum 2 as well a few additional questions that were submitted before the question deadline. Those answers will be published in an addendum when the information is available.
- II. **Extension:** The proposal due date is hereby extended until Tuesday, April 25th at 2 PM Central Time.
- III. ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

APPROVED BY:   
Erin D'Vincent, Procurement Specialist IV  
Purchasing Office, 512-974-3070

4.12.17  
Date

ACKNOWLEDGED BY:  
  
Name

  
Authorized Signature

4/24/17  
Date

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**ADDENDUM  
CITY OF AUSTIN, TEXAS**

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**Solicitation: EAD0131**

**Addendum No: 4**

**Date of Addendum: 04/14/17**

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**This addendum is to incorporate the following questions and answers to the above referenced solicitation:**

**1.0 Questions and Answers:**

- 1.1 (Q) Regarding the Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying Certification, there is no signature line. There is also no signature line on the Non-Suspension or Debarment Certification. Please confirm that these forms do not need to be signed and do not need to be included with our proposal.  
(A) Correct. They are incorporated by reference.
- 1.2 (Q) Is it permissible to consecutively page number each tab?  
(A) Yes.
- 1.3 (Q) Is it permissible to include a seventh tab for supplemental information not explicitly asked for in the RFP instructions?  
(A) Yes.
- 1.4 (Q) Where should the signed copies of addenda be placed within the proposal?  
(A) In Tab 1 behind the City of Austin Purchasing Office Documents.
- 1.5 (Q) With respect to the proposal formatting section on page 22 of the RFP, do sections II, III and IV represent separate binders or separate tabs that carriers are required to submit? Specifically, is Form 0610 to be submitted in a separate tab or separate binder entitled Section II or Price Proposal & Alternative Plans? If not, where should carriers place Form 0610?  
(A) Please make separate tabs for each Section. Form 0610 should be included in Section II tab of the RFP response.
- 1.6 (Q) Does cost information need to be segregated from technical information? In other words, is it permissible to discuss topics that could be considered pricing information (including performance guarantees and/or pricing for additional services) in Section I (if separate sections are required)?  
(A) Pricing needs to be all inclusive and submitted on Form 0610. Clarifications can be made on the form if respondent deems it necessary.
- 1.7 (Q) In Addendum No. 2 the response to question 1.19 references information provided attached as "tab 1", however we were not able to locate the information requested and referenced. We received PPO claims for 2014, and DMO claims for 2014, 2015, and 2016, however we could not locate the PPO 'paid' claims for 2016 / "tab 1".  
(A) Please reference page 10 of Addendum 2.

- 1.8 (Q) Can the City of Austin provide a historical claims file, including enrollment history prior to 2015, for the City's retirees in order to provide a repricing analysis? We would need the data elements in the attached file in order to properly reprice.
- (A) Attached are Assurant facilities that members have utilized in addition to the DOB of the member. Assurant is unable to provide any additional detail on the DHMO product. Information is still pending from Delta.
- 1.9 (Q) The benefit booklet we received includes a very high-level plan design summary. We are requesting more detailed information including frequencies, allocations and exclusions in regards to the plan design summary to be submitted.
- (A) Attached.

**2.0 Clarifications:** In Addendum No. 2, the following question was asked:  
 For the PPO, please provide CY2014 month by month experience data showing earned premium dollars, paid claim dollars, number of claims, and number of enrolled lives in each rating tier. – **Document is attached to this addendum.**

**3.0 ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.**

APPROVED BY: signature on file 4/14/17  
 Erin D'Vincent, Procurement Specialist IV Date  
 Purchasing Office, 512-974-3070

ACKNOWLEDGED BY:  
Scott F. Beauvieux [Signature] 4/24/17  
 Name Authorized Signature Date

**RETURN ONE COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH YOUR RESPONSE OR PRIOR TO THE SOLICITATION CLOSING DATE. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION.**



**ADDENDUM  
CITY OF AUSTIN, TEXAS**

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Solicitation: EAD0131

Addendum No: 5

Date of Addendum: 4/19/17

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This addendum is to incorporate the following changes to the above referenced solicitation:

- I. **Extension:** The proposal due date is hereby extended until Thursday, May 4<sup>th</sup> at 2 PM Central Time.
- II. ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

APPROVED BY:

*Erin D'Vincent*  
Erin D'Vincent, Procurement Specialist IV  
Purchasing Office, 512-974-3070

4.19.17  
Date

ACKNOWLEDGED BY:

*Scott F. Beliveau*  
Name

*Scott F. Beliveau*  
Authorized Signature

4/24/17  
Date

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**ADDENDUM  
CITY OF AUSTIN, TEXAS**

---

Solicitation: EAD0131

Addendum No: 6

Date of Addendum: 04/21/17

---

This addendum is to incorporate the following clarifications to the above referenced solicitation:

**1.0 Clarifications:**

- 1.1 The disruption report been added via this addendum. Reference the documents titled Delta Care Disruption Summary and PPO Disruption Summary.
- 1.2 Due to proposal due date extensions, Contractor will not be expected to start work until August or early September.

**2.0 ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.**

APPROVED BY:

signature on file  
Erin D'Vincent, Procurement Specialist IV  
Purchasing Office, 512-974-3070

4/21/17  
Date

ACKNOWLEDGED BY:

SCOTT F. BELIVEAU  
Name

[Signature]  
Authorized Signature

4/24/17  
Date

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**CITY OF AUSTIN  
PURCHASING OFFICE  
STANDARD PURCHASE TERMS AND CONDITIONS**

By submitting an Offer in response to the Solicitation, the Contractor agrees that the Contract shall be governed by the following terms and conditions. Unless otherwise specified in the Contract, Sections 3, 4, 5, 6, 7, 8, 20, 21, and 36 shall apply only to a Solicitation to purchase Goods, and Sections 9, 10, 11 and 22 shall apply only to a Solicitation to purchase Services to be performed principally at the City's premises or on public rights-of-way.

1. **CONTRACTOR'S OBLIGATIONS**. The Contractor shall fully and timely provide all Deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable Federal, State, and local laws, rules, and regulations.
2. **EFFECTIVE DATE/TERM**. Unless otherwise specified in the Solicitation, this Contract shall be effective as of the date the contract is signed by the City, and shall continue in effect until all obligations are performed in accordance with the Contract.
3. **CONTRACTOR TO PACKAGE DELIVERABLES**: The Contractor will package Deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price. Unless otherwise provided in the Specifications or Supplemental Terms and Conditions, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address and purchase order or purchase release number and the price agreement number if applicable, (c) Container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform with requirements of common carriers and any applicable specifications. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.
4. **SHIPMENT UNDER RESERVATION PROHIBITED**: The Contractor is not authorized to ship the Deliverables under reservation and no tender of a bill of lading will operate as a tender of Deliverables.
5. **TITLE & RISK OF LOSS**: Title to and risk of loss of the Deliverables shall pass to the City only when the City actually receives and accepts the Deliverables.
6. **DELIVERY TERMS AND TRANSPORTATION CHARGES**: Deliverables shall be shipped F.O.B. point of delivery unless otherwise specified in the Supplemental Terms and Conditions. Unless otherwise stated in the Offer, the Contractor's price shall be deemed to include all delivery and transportation charges. The City shall have the right to designate what method of transportation shall be used to ship the Deliverables. The place of delivery shall be that set forth in the block of the purchase order or purchase release entitled "Receiving Agency".
7. **RIGHT OF INSPECTION AND REJECTION**: The City expressly reserves all rights under law, including, but not limited to the Uniform Commercial Code, to inspect the Deliverables at delivery before accepting them, and to reject defective or non-conforming Deliverables. If the City has the right to inspect the Contractor's, or the Contractor's Subcontractor's, facilities, or the Deliverables at the Contractor's, or the Contractor's Subcontractor's, premises, the Contractor shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance to the City to facilitate such inspection.
8. **NO REPLACEMENT OF DEFECTIVE TENDER**: Every tender or delivery of Deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach and the Contractor shall not have the right to substitute a conforming tender; provided, where the time for performance has not yet expired, the Contractor may notify the City of the intention to cure and may then make a conforming tender within the time allotted in the contract.
9. **PLACE AND CONDITION OF WORK**: The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the contract. The Contractor hereby releases and holds the City

**CITY OF AUSTIN  
PURCHASING OFFICE  
STANDARD PURCHASE TERMS AND CONDITIONS**

harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

10. **WORKFORCE**

- A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.
- B. The Contractor, its employees, subcontractors, and subcontractor's employees may not while engaged in participating or responding to a solicitation or while in the course and scope of delivering goods or services under a City of Austin contract or on the City's property .
  - i. use or possess a firearm, including a concealed handgun that is licensed under state law, except as required by the terms of the contract; or
  - ii. use or possess alcoholic or other intoxicating beverages, illegal drugs or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs, on the job.
- C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs on the job, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

11. **COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS:** The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. The Contractor shall indemnify and hold the City harmless from and against all claims, demands, suits, actions, judgments, fines, penalties and liability of every kind arising from the breach of the Contractor's obligations under this paragraph.

12. **INVOICES:**

- A. The Contractor shall submit separate invoices in duplicate on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.
- B. **Proper Invoices must include a unique invoice number, the purchase order or delivery order number and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department.** Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name and, if applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.
- C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and Deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.
- D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.
- E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

**CITY OF AUSTIN  
PURCHASING OFFICE  
STANDARD PURCHASE TERMS AND CONDITIONS**

13. **PAYMENT:**

- A. All proper invoices received by the City will be paid within thirty (30) calendar days of the City's receipt of the Deliverables or of the invoice, whichever is later.
  - B. **If payment is not timely made, (per paragraph A), interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**
  - C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches the shipment or delivery.
  - D. The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of:
    - i. delivery of defective or non-conforming Deliverables by the Contractor;
    - ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;
    - iii. failure of the Contractor to pay Subcontractors, or for labor, materials or equipment;
    - iv. damage to the property of the City or the City's agents, employees or contractors, which is not covered by insurance required to be provided by the Contractor;
    - v. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
    - vi. failure of the Contractor to submit proper invoices with all required attachments and supporting documentation; or
    - vii. failure of the Contractor to comply with any material provision of the Contract Documents.
  - E. Notice is hereby given of Article VIII, Section 1 of the Austin City Charter which prohibits the payment of any money to any person, firm or corporation who is in arrears to the City for taxes, and of §2-8-3 of the Austin City Code concerning the right of the City to offset indebtedness owed the City.
  - F. Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.
  - G. The awarding or continuation of this contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for this contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available and any Deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of non or inadequate appropriation of funds, there will be no penalty nor removal fees charged to the City.
14. **TRAVEL EXPENSES:** All travel, lodging and per diem expenses in connection with the Contract for which reimbursement may be claimed by the Contractor under the terms of the Solicitation will be reviewed against the City's Travel Policy as published and maintained by the City's Controller's Office and the Current United States General Services Administration Domestic Per Diem Rates (the "Rates") as published and maintained on the Internet at:

<http://www.gsa.gov/portal/category/21287>

**CITY OF AUSTIN  
PURCHASING OFFICE  
STANDARD PURCHASE TERMS AND CONDITIONS**

No amounts in excess of the Travel Policy or Rates shall be paid. All invoices must be accompanied by copies of detailed itemized receipts (e.g. hotel bills, airline tickets). No reimbursement will be made for expenses not actually incurred. Airline fares in excess of coach or economy will not be reimbursed. Mileage charges may not exceed the amount permitted as a deduction in any year under the Internal Revenue Code or Regulations.

**15. FINAL PAYMENT AND CLOSE-OUT:**

- A. If an MBE/WBE Program Compliance Plan is required by the Solicitation, and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the Project manager or Contract manager no later than the 15th calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements of the Compliance Plan as accepted by the City.
- B. The making and acceptance of final payment will constitute:
  - i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and
  - ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

**16. SPECIAL TOOLS & TEST EQUIPMENT:** If the price stated on the Offer includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

**17. AUDITS and RECORDS:**

- A. The Contractor agrees that the representatives of the Office of the City Auditor or other authorized representatives of the City shall have access to, and the right to audit, examine, or reproduce, any and all records of the Contractor related to the performance under this Contract. The Contractor shall retain all such records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer. The Contractor agrees to refund to the City any overpayments disclosed by any such audit.
- B. Records Retention:
  - i. Contractor is subject to City Code chapter 2-11 (Records Management), and as it may subsequently be amended. For purposes of this subsection, a Record means all books, accounts, reports, files, and other data recorded or created by a Contractor in fulfillment of the Contract whether in digital or physical format, except a record specifically relating to the Contractor's internal administration.
  - ii. All Records are the property of the City. The Contractor may not dispose of or destroy a Record without City authorization and shall deliver the Records, in all requested formats and media, along with all finding aids and metadata, to the City at no cost when requested by the City
  - iii. The Contractor shall retain all Records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer.
- C. The Contractor shall include sections A and B above in all subcontractor agreements entered into in connection with this Contract.

**CITY OF AUSTIN  
PURCHASING OFFICE  
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**18. SUBCONTRACTORS:**

- A. If the Contractor identified Subcontractors in an MBE/WBE Program Compliance Plan or a No Goals Utilization Plan the Contractor shall comply with the provisions of Chapters 2-9A, 2-9B, 2-9C, and 2-9D, as applicable, of the Austin City Code and the terms of the Compliance Plan or Utilization Plan as approved by the City (the "Plan"). The Contractor shall not initially employ any Subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing in accordance with the provisions of Chapters 2-9A, 2-9B, 2-9C and 2-9D, as applicable. No acceptance by the City of any Subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective Deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Contract Manager and the Purchasing Office Contract Compliance Manager no later than the tenth calendar day of each month.
- B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract, and shall contain provisions that:
  - i. require that all Deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;
  - ii. prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;
  - iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;
  - iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and
  - v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.
- C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.
- D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

**19. WARRANTY-PRICE:**

- A. The Contractor warrants the prices quoted in the Offer are no higher than the Contractor's current prices on orders by others for like Deliverables under similar terms of purchase.
- B. The Contractor certifies that the prices in the Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.
- C. In addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like Deliverables under similar terms of purchase.

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20. **WARRANTY – TITLE**: The Contractor warrants that it has good and indefeasible title to all Deliverables furnished under the Contract, and that the Deliverables are free and clear of all liens, claims, security interests and encumbrances. The Contractor shall indemnify and hold the City harmless from and against all adverse title claims to the Deliverables.
21. **WARRANTY – DELIVERABLES**: The Contractor warrants and represents that all Deliverables sold the City under the Contract shall be free from defects in design, workmanship or manufacture, and conform in all material respects to the specifications, drawings, and descriptions in the Solicitation, to any samples furnished by the Contractor, to the terms, covenants and conditions of the Contract, and to all applicable State, Federal or local laws, rules, and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the Deliverables shall be new or recycled merchandise, and not used or reconditioned.
- A. Recycled Deliverables shall be clearly identified as such.
  - B. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law; and any attempt to do so shall be without force or effect.
  - C. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the date of acceptance of the Deliverables or from the date of acceptance of any replacement Deliverables. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand either repair the non-conforming Deliverables, or replace the non-conforming Deliverables with fully conforming Deliverables, at the City's option and at no additional cost to the City. All costs incidental to such repair or replacement, including but not limited to, any packaging and shipping costs, shall be borne exclusively by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.
  - D. If the Contractor is unable or unwilling to repair or replace defective or non-conforming Deliverables as required by the City, then in addition to any other available remedy, the City may reduce the quantity of Deliverables it may be required to purchase under the Contract from the Contractor, and purchase conforming Deliverables from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such Deliverables from another source.
  - E. If the Contractor is not the manufacturer, and the Deliverables are covered by a separate manufacturer's warranty, the Contractor shall transfer and assign such manufacturer's warranty to the City. If for any reason the manufacturer's warranty cannot be fully transferred to the City, the Contractor shall assist and cooperate with the City to the fullest extent to enforce such manufacturer's warranty for the benefit of the City.
22. **WARRANTY – SERVICES**: The Contractor warrants and represents that all services to be provided the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable Federal, State and local laws, rules or regulations.
- A. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.
  - B. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the Acceptance Date. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.
  - C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be

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required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

23. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES:** If, instead of requiring immediate correction or removal and replacement of defective or non-conforming Deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming Deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming Deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.
24. **RIGHT TO ASSURANCE:** Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.
25. **STOP WORK NOTICE:** The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of Federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.
26. **DEFAULT:** The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 24, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.
27. **TERMINATION FOR CAUSE:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. The City may place Contractor on probation for a specified period of time within which the Contractor must correct any non-compliance issues. Probation shall not normally be for a period of more than nine (9) months, however, it may be for a longer period, not to exceed one (1) year depending on the circumstances. If the City determines the Contractor has failed to perform satisfactorily during the probation period, the City may proceed with suspension. In the event of a default by the Contractor, the City may suspend or debar the Contractor in accordance with the "City of Austin Purchasing Office Probation, Suspension and Debarment Rules for Vendors" and remove the Contractor from the City's vendor list for up to five (5) years and any Offer submitted by the Contractor may be disqualified for up to five (5) years. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.
28. **TERMINATION WITHOUT CAUSE:** The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds Appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof.
29. **FRAUD:** Fraudulent statements by the Contractor on any Offer or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

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30. **DELAYS:**

- A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in paragraph 48. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.
- B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such Party. In the event of default or delay in contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

31. **INDEMNITY:**

- A. Definitions:
  - i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all reasonable costs and expenses of litigation, mediation or other alternate dispute resolution mechanism, including attorney and other professional fees for:
    - (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and subcontractors; the officers, agents, and employees of such subcontractors; and third parties); and/or
    - (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's subcontractors, and third parties),
  - ii. "Fault" shall include the sale of defective or non-conforming Deliverables, negligence, willful misconduct, or a breach of any legally imposed strict liability standard.
- B. **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.**

32. **INSURANCE:** (reference Section 0400 for specific coverage requirements). The following insurance requirement applies. (Revised March 2013).

- A. General Requirements.
  - i. The Contractor shall at a minimum carry insurance in the types and amounts indicated in Section 0400, Supplemental Purchase Provisions, for the duration of the Contract, including extension options and hold over periods, and during any warranty period.
  - ii. The Contractor shall provide Certificates of Insurance with the coverages and endorsements required in Section 0400, Supplemental Purchase Provisions, to the City as verification of coverage prior to contract execution and within fourteen (14) calendar days after written request from the

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City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or hold over period is exercised, as verification of continuing coverage.

- iii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iv. The City may request that the Contractor submit certificates of insurance to the City for all subcontractors prior to the subcontractors commencing work on the project.
- v. The Contractor's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of B+VII or better.
- vi. The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.
- vii. If insurance policies are not written for amounts specified in Section 0400, Supplemental Purchase Provisions, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.
- viii. The City shall be entitled, upon request, at an agreed upon location, and without expense, to review certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.
- ix. The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.
- x. The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.
- xi. The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. Self-insured retentions shall be disclosed on the Certificate of Insurance.
- xii. The Contractor shall provide the City thirty (30) calendar days' written notice of erosion of the aggregate limits below occurrence limits for all applicable coverages indicated within the Contract.
- xiii. The insurance coverages specified in Section 0400, Supplemental Purchase Provisions, are required minimums and are not intended to limit the responsibility or liability of the Contractor.

**B. Specific Coverage Requirements: Specific insurance requirements are contained in Section 0400, Supplemental Purchase Provisions**

33. **CLAIMS:** If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse affect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the

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Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Austin City Attorney. Personal delivery to the City Attorney shall be to City Hall, 301 West 2<sup>nd</sup> Street, 4<sup>th</sup> Floor, Austin, Texas 78701, and mail delivery shall be to P.O. Box 1088, Austin, Texas 78767.

34. **NOTICES:** Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at P.O. Box 1088, Austin, Texas 78767 and marked to the attention of the Contract Administrator.
35. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL:** All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, Texas Government Code.
36. **NO WARRANTY BY CITY AGAINST INFRINGEMENTS:** The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the Deliverables and (ii) the Deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the Deliverables and the Contractor does not know of any valid basis for any such claims. The Contractor shall, at its sole expense, defend, indemnify, and hold the City harmless from and against all liability, damages, and costs (including court costs and reasonable fees of attorneys and other professionals) arising out of or resulting from: (i) any claim that the City's exercise anywhere in the world of the rights associated with the City's ownership, and if applicable, license rights, and its use of the Deliverables infringes the intellectual property rights of any third party; or (ii) the Contractor's breach of any of Contractor's representations or warranties stated in this Contract. In the event of any such claim, the City shall have the right to monitor such claim or at its option engage its own separate counsel to act as co-counsel on the City's behalf. Further, Contractor agrees that the City's specifications regarding the Deliverables shall in no way diminish Contractor's warranties or obligations under this paragraph and the City makes no warranty that the production, development, or delivery of such Deliverables will not impact such warranties of Contractor.
37. **CONFIDENTIALITY:** In order to provide the Deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Agreement, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.
38. **PUBLICATIONS:** All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

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39. **ADVERTISING**: The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law.
40. **NO CONTINGENT FEES**: The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.
41. **GRATUITIES**: The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Austin with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.
42. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS**: No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City.
43. **INDEPENDENT CONTRACTOR**: The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City.
44. **ASSIGNMENT-DELEGATION**: The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there be no third party beneficiaries to the Contract.
45. **WAIVER**: No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.
46. **MODIFICATIONS**: The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract.
47. **INTERPRETATION**: The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

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**48. DISPUTE RESOLUTION:**

- A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.
- B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center (DRC). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.

49. **JURISDICTION AND VENUE:** The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Travis County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

50. **INVALIDITY:** The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

51. **HOLIDAYS:** The following holidays are observed by the City:

<u>Holiday</u>	<u>Date Observed</u>
New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11

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Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving	Friday after Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday.

52. **SURVIVABILITY OF OBLIGATIONS:** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.

53. **NON-SUSPENSION OR DEBARMENT CERTIFICATION:**

The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

54. **EQUAL OPPORTUNITY**

A. **Equal Employment Opportunity:** No Contractor, or Contractor's agent, shall engage in any discriminatory employment practice as defined in Chapter 5-4 of the City Code. No Offer submitted to the City shall be considered, nor any Purchase Order issued, or any Contract awarded by the City unless the Offeror has executed and filed with the City Purchasing Office a current Non-Discrimination Certification. Non-compliance with Chapter 5-4 of the City Code may result in sanctions, including termination of the contract and the Contractor's suspension or debarment from participation on future City contracts until deemed compliant with Chapter 5-4.

B. **Americans with Disabilities Act (ADA) Compliance:** No Contractor, or Contractor's agent, shall engage in any discriminatory practice against individuals with disabilities as defined in the ADA, including but not limited to: employment, accessibility to goods and services, reasonable accommodations, and effective communications.

55. **INTERESTED PARTIES DISCLOSURE**

As a condition to entering the Contract, the Business Entity constituting the Offeror must provide the following disclosure of Interested Parties to the City prior to the award of a contract with the City on Form 1295 "Certificate of Interested Parties" as prescribed by the Texas Ethics Commission for any contract award requiring council authorization. The Certificate of Interested Parties Form must be completed on the Texas Ethics Commission website, printed, and signed by the authorized agent of the Business Entity with acknowledgment that disclosure is made under oath and under penalty of perjury. The City will submit the "Certificate of Interested Parties" to the Texas Ethics Commission within 30 days of receipt from the successful Offeror. The Offeror is reminded that the provisions of Local Government Code 176, regarding conflicts of interest between the bidders and local officials remains in place. Link to Texas Ethics Commission Form 1295 process and procedures below:

[https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm)

56. **BUY AMERICAN ACT-SUPPLIES (Applicable to certain Federally funded requirements)**

**CITY OF AUSTIN  
PURCHASING OFFICE  
STANDARD PURCHASE TERMS AND CONDITIONS**

- A. Definitions. As used in this paragraph –
- i. "Component" means an article, material, or supply incorporated directly into an end product.
  - ii. "Cost of components" means -
    - (1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
    - (2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.
  - iii. "Domestic end product" means-
    - (1) An unmanufactured end product mined or produced in the United States; or
    - (2) An end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as those that the agency determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.
  - iv. "End product" means those articles, materials, and supplies to be acquired under the contract for public use.
  - v. "Foreign end product" means an end product other than a domestic end product.
  - vi. "United States" means the 50 States, the District of Columbia, and outlying areas.
- B. The Buy American Act (41 U.S.C. 10a - 10d) provides a preference for domestic end products for supplies acquired for use in the United States.
- C. The City does not maintain a list of foreign articles that will be treated as domestic for this Contract; but will consider for approval foreign articles as domestic for this product if the articles are on a list approved by another Governmental Agency. The Offeror shall submit documentation with their Offer demonstrating that the article is on an approved Governmental list.
- D. The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the Solicitation entitled "Buy American Act Certificate".

**CITY OF AUSTIN  
PURCHASING OFFICE  
SUPPLEMENTAL PURCHASE PROVISIONS**

The following Supplemental Purchasing Provisions apply to this solicitation:

1. **EXPLANATIONS OR CLARIFICATIONS:** (reference paragraph 5 in Section 0200)

All requests for explanations or clarifications must be submitted in writing to the Purchasing Office by email to [erin.dvincent@austintexas.gov](mailto:erin.dvincent@austintexas.gov) at least ten (10) calendar days before proposal due date.

2. **INSURANCE:** Insurance is required for this solicitation.

A. **General Requirements:** See Section 0300, Standard Purchase Terms and Conditions, paragraph 32, entitled Insurance, for general insurance requirements.

- i. The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to contract execution and within 14 calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award
- ii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iii. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.
- iv. The Certificate of Insurance, and updates, shall be mailed to the following address:

City of Austin Purchasing Office  
P. O. Box 1088  
Austin, Texas 78767

B. **Specific Coverage Requirements:** The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.

- i. **Worker's Compensation and Employers' Liability Insurance:** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee.
  - (1) The Contractor's policy shall apply to the State of Texas and include these endorsements in favor of the City of Austin:
    - (a) Waiver of Subrogation, Form WC420304, or equivalent coverage
    - (b) Thirty (30) days Notice of Cancellation, Form WC420601, or equivalent coverage
- ii. **Commercial General Liability Insurance:** The minimum bodily injury and property damage per occurrence are \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injury).
  - (1) The policy shall contain the following provisions:
    - (a) Contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.
    - (b) Contractor/Subcontracted Work.
    - (c) Products/Completed Operations Liability for the duration of the warranty period.
    - (d) If the project involves digging or drilling provisions must be included that provide Explosion, Collapse, and/or Underground Coverage.
  - (2) The policy shall also include these endorsements in favor of the City of Austin:
    - (a) Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage

**CITY OF AUSTIN  
PURCHASING OFFICE  
SUPPLEMENTAL PURCHASE PROVISIONS**

- (b) Thirty (30) days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage
  - (c) The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage
- iii. **Business Automobile Liability Insurance:** The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident.
  - (1) The policy shall include these endorsements in favor of the City of Austin:
    - (a) Waiver of Subrogation, Endorsement CA0444, or equivalent coverage
    - (b) Thirty (30) days Notice of Cancellation, Endorsement CA0244, or equivalent coverage
    - (c) The City of Austin listed as an additional insured, Endorsement CA2048, or equivalent coverage.
- iv. **Professional Liability Insurance:** The Contractor shall provide coverage, at a minimum limit of \$1,000,000 per claim, to pay on behalf of the assured all sums which the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission arising out of the performance of professional services under this Agreement.

If coverage is written on a claims-made basis, the retroactive date shall be prior to or coincident with the date of the Contract and the certificate of insurance shall state that the coverage is claims-made and indicate the retroactive date. This coverage shall be continuous and will be provided for 24 months following the completion of the contract.

- C. **Endorsements:** The specific insurance coverage endorsements specified above, or their equivalents must be provided. In the event that endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.

3. **TERM OF CONTRACT:**

- A. The Contract shall be in effect for an initial term of 36 months and may be extended thereafter for up to 2 additional 12 month periods, subject to the approval of the Contractor and the City Purchasing Officer or his designee.
- B. Upon expiration of the initial term or period of extension, the Contractor agrees to hold over under the terms and conditions of this agreement for such a period of time as is reasonably necessary to re-solicit and/or complete the project (not to exceed 120 days unless mutually agreed on in writing).
- C. Upon written notice to the Contractor from the City's Purchasing Officer or his designee and acceptance of the Contractor, the term of this contract shall be extended on the same terms and conditions for an additional period as indicated in paragraph A above.
- D. Prices are firm and fixed for the first 12 months. Thereafter, price changes are subject to the Economic Price Adjustment provisions of this Contract.

4. **INVOICES and PAYMENT:** (reference paragraphs 12 and 13 in Section 0300)

- A. Invoices shall contain a unique invoice number and the information required in Section 0300, paragraph 12, entitled "Invoices." Invoices received without all required information cannot be processed and will be returned to the vendor.

Invoices shall be mailed to the below address:

**CITY OF AUSTIN  
PURCHASING OFFICE  
SUPPLEMENTAL PURCHASE PROVISIONS**

	City of Austin
Department	Human Resources Department
Attn:	Administration Division
Address	P.O. Box 1088
City, State Zip Code	Austin, TX 78767

- B. The Contractor agrees to accept payment by either credit card, check or Electronic Funds Transfer (EFT) for all goods and/or services provided under the Contract. The Contractor shall factor the cost of processing credit card payments into the Offer. There shall be no additional charges, surcharges, or penalties to the City for payments made by credit card.

**5. LIQUIDATED DAMAGES:**

Time is of the essence in the performance of the Contract; therefore, the Contractor shall strictly adhere to the Contract schedule. No changes shall be effective unless in writing, executed by both the City and the Contractor. The parties agree that if, due to no fault of the City, delivery of any material or performance of any service is delayed beyond the time specified in the Contract, the Contractor therefore agrees to pay and the City agrees to accept as liquidated damages, the percentages listed in Section 0625 Performance Measures.

**6. RECYCLED PRODUCTS:**

- A. The City prefers that Offerors offer products that contain recycled materials. When a recycled product is offered by the Offeror, the Offeror must state in their Offer the percentage of the product that is recycled and must include a list of the recycled materials that are contained in the product.
- B. The recycled content of paper products offered to the City shall be in accordance with the Federal Environmental Protection Agency's Recycled Product Procurement Guidelines. These guidelines are available at <http://www.epa.gov/cpg/>.
- C. Contract award for paper products will be made for recycled products unless the cost is more than 10% above the lowest price for non-recycled paper products as required in the City's Comprehensive Recycling Resolution.

**7. NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING:**

- A. On November 10, 2011, the Austin City Council adopted Ordinance No. 20111110-052 amending Chapter 2.7, Article 6 of the City Code relating to Anti-Lobbying and Procurement. The policy defined in this Code applies to Solicitations for goods and/or services requiring City Council approval under City Charter Article VII, Section 15 (Purchase Procedures). During the No-Contact Period, Offerors or potential Offerors are prohibited from making a representation to anyone other than the Authorized Contact Person in the Solicitation as the contact for questions and comments regarding the Solicitation.
- B. If during the No-Contact Period an Offeror makes a representation to anyone other than the Authorized Contact Person for the Solicitation, the Offeror's Offer is disqualified from further consideration except as permitted in the Ordinance.
- C. If an Offeror has been disqualified under this article more than two times in a sixty (60) month period, the Purchasing Officer shall debar the Offeror from doing business with the City for a period not to exceed three (3) years, provided the Offeror is given written notice and a hearing in advance of the debarment.

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PURCHASING OFFICE  
SUPPLEMENTAL PURCHASE PROVISIONS**

- D. The City requires Offerors submitting Offers on this Solicitation to certify that the Offeror has not in any way directly or indirectly made representations to anyone other than the Authorized Contact Person during the No-Contact Period as defined in the Ordinance. The text of the City Ordinance is posted on the Internet at: <http://www.ci.austin.tx.us/edims/document.cfm?id=161145>

**8. ECONOMIC PRICE ADJUSTMENT:**

- A. **Price Adjustments:** Prices shown in this Contract shall remain firm for the first twelve (12) months of the Contract. After that, in recognition of the potential for fluctuation of the Contractor's cost, a price adjustment (increase or decrease) may be requested by either the City or the Contractor on the anniversary date of the Contract or as may otherwise be specified herein. The percentage change between the contract price and the requested price shall not exceed the percentage change between the specified index in effect on the date the solicitation closed and the most recent, non-preliminary data at the time the price adjustment is requested. The requested price adjustment shall not exceed fifteen percent (15%) for any single line item and in no event shall the total amount of the contract be automatically adjusted as a result of the change in one or more line items made pursuant to this provision. Prices for products or services unaffected by verifiable cost trends shall not be subject to adjustment.
- B. **Effective Date:** Approved price adjustments will go into effect on the first day of the upcoming renewal period or anniversary date of contract award and remain in effect until contract expiration unless changed by subsequent amendment.
- C. **Adjustments:** A request for price adjustment must be made in writing and submitted to the other Party prior to the yearly anniversary date of the Contract; adjustments may only be considered at that time unless otherwise specified herein. Requested adjustments must be solely for the purpose of accommodating changes in the Contractor's direct costs. Contractor shall provide an updated price listing once agreed to adjustment(s) have been approved by the parties.
- D. **Indexes:** In most cases an index from the Bureau of Labor Standards (BLS) will be utilized; however, if there is more appropriate, industry recognized standard then that index may be selected.
- i. The following definitions apply:
- (1) **Base Period:** Month and year of the original contracted price (the solicitation close date).
  - (2) **Base Price:** Initial price quoted, proposed and/or contracted per unit of measure.
  - (3) **Adjusted Price:** Base Price after it has been adjusted in accordance with the applicable index change and instructions provided.
  - (4) **Change Factor:** The multiplier utilized to adjust the Base Price to the Adjusted Price.
  - (5) **Weight %:** The percent of the Base Price subject to adjustment based on an index change.
- ii. **Adjustment-Request Review:** Each adjustment-request received will be reviewed and compared to changes in the index(es) identified below. Where applicable:
- (1) Utilize final Compilation data instead of Preliminary data
  - (2) If the referenced index is no longer available shift up to the next higher category index.
- iii. **Index Identification:** Complete table as they may apply.

Weight % of Base Price: 100%	
Database Name: Producer Price Index	
Series ID: pcu52411452411410301	
<input checked="" type="checkbox"/> Not Seasonally Adjusted	<input type="checkbox"/> Seasonally Adjusted
Geographical Area: United States	
Description of Series ID: Dental service plans	

**CITY OF AUSTIN  
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SUPPLEMENTAL PURCHASE PROVISIONS**

This Index shall apply to the following items of the Price Proposal: All

E. **Calculation:** Price adjustment will be calculated as follows:

**Single Index:** Adjust the Base Price by the same factor calculated for the index change.

Index at time of calculation
Divided by index on solicitation close date
Equals Change Factor
Multiplied by the Base Rate
Equals the Adjusted Price

F. If the requested adjustment is not supported by the referenced index, the City, at its sole discretion, may consider approving an adjustment on fully documented market increases.

9. **INTERLOCAL PURCHASING AGREEMENTS:** (applicable to competitively procured goods/services contracts).

- A. The City has entered into Interlocal Purchasing Agreements with other governmental entities, pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Contractor agrees to offer the same prices and terms and conditions to other eligible governmental agencies that have an interlocal agreement with the City.
- B. The City does not accept any responsibility or liability for the purchases by other governmental agencies through an interlocal cooperative agreement.

10. **OWNERSHIP AND USE OF DELIVERABLES:** The City shall own all rights, titles, and interests throughout the world in and to the Deliverables.

- A. **Patents:** As to any patentable subject matter contained in the Deliverables, the Contractor agrees to disclose such patentable subject matter to the City. Further, if requested by the City, the Contractor agrees to assign and, if necessary, cause each of its employees to assign the entire right, title, and interest to specific inventions under such patentable subject matter to the City and to execute, acknowledge, and deliver and, if necessary, cause each of its employees to execute, acknowledge, and deliver an assignment of letters patent, in a form to be reasonably approved by the City, to the City upon request by the City.
- B. **Copyrights:** As to any Deliverable containing copyrighted subject matter, the Contractor agrees that upon their creation, such Deliverables shall be considered as work made-for-hire by the Contractor for the City and the City shall own all copyrights in and to such Deliverables, provided however, that nothing in this Paragraph 36 shall negate the City's sole or joint ownership of any such Deliverables arising by virtue of the City's sole or joint authorship of such Deliverables. Should by operation of law, such Deliverables not be considered work made-for-hire, the Contractor hereby assigns to the City (and agrees to cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver an assignment to the City of Austin) all worldwide right, title, and interest in and to such Deliverables. With respect to such work made-for-hire, the Contractor agrees to execute, acknowledge and deliver and cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver a work-for-hire agreement, in a form to be reasonably approved by the City, to the City upon delivery of such Deliverables to the City or at such other time as the City may request.

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- C. **Additional Assignments:** The Contractor further agrees to, and if applicable, cause each of its employees to execute, acknowledge, and deliver all applications, specifications, oaths, assignments, and all other instruments which the City might reasonably deem necessary in order to apply for and obtain copyright protection, mask work registration, trademark registration and/or protection, letters patent, or any similar rights in any and all countries and in order to assign and convey to the City, its successors, assigns, and nominees, the sole and exclusive right, title, and interest in and to the Deliverables, The Contractor's obligations to execute acknowledge, and deliver (or cause to be executed, acknowledged, and delivered) instruments or papers such as those described in this Paragraph 36 A., B., and C. shall continue after the termination of this Contract with respect to such Deliverables. In the event the City should not seek to obtain copyright protection, mask work registration or patent protection for any of the Deliverables, but should arise to keep the same secret, the Contractor agrees to treat the same as Confidential Information under the terms of Paragraph above.
11. **CONTRACT MANAGER:** The following person is designated as Contract Manager, and will act as the contact point between the City and the Contractor during the term of the Contract:

Sheri Altes

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512-974-3034

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[Sheri.Altes@austintexas.gov](mailto:Sheri.Altes@austintexas.gov)

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\*Note: The above listed Contract Manager is not the authorized Contact Person for purposes of the **NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING Provision** of this Section; and therefore, contact with the Contract Manager is prohibited during the no contact period.

**CITY OF AUSTIN  
SCOPE OF WORK  
RETIREE DENTAL PROGRAM**

**1. PURPOSE**

The City of Austin, hereinafter referred to as the “City”, seeks qualified respondents to provide fully-insured dental coverage for City of Austin retirees, eligible dependents, surviving dependents, retirees of Affiliated Employers and their eligible dependents, and the Consolidated Omnibus Budget Reconciliation Act (COBRA) participants hereinafter referred to as “Covered Persons”.

**2. BACKGROUND**

The City provides dental coverage access to Covered Persons. The City operates on a fiscal year beginning October 1 and continues through September 30. The City’s benefit plan year is January 1 to December 31. Open enrollment begins mid-October and ends mid-November of each year. Work is expected to start in July in order to have everything prepped and ready before open enrollment.

- 2.1 The City currently offers two dental plans to retirees; a fully-insured Preferred Provider (PPO/Indemnity) plan and a DMO/Pre-Paid dental plan. Enrollment is voluntary and retirees pay the full premium which is automatically deducted from the retirees’ monthly annuity checks.
- 2.2 As of January 2017, approximately 6,900 retirees were eligible to participate in the retiree dental program. As of January 1, 2017, 3,352, retirees were enrolled in the Delta Dental (PPO/Indemnity) plan and 927 in the Assurant (DMO/Prepaid) dental plan.
- 2.3 The majority of the City’s retirees live within a 100 mile radius of Austin. However, some retirees live in other locations throughout Texas and the United States, (See Attachment A: Census Data). Proposers are not required to provide network access outside of Texas.
- 2.4 The City will award a PPO/Indemnity Plan and a DPO/Prepaid Plan.

**3. ACRONYMS/DEFINITIONS**

- 3.1 Covered Person – Eligible retiree or dependent of an eligible retiree who is covered by the Certificate of Coverage or a person with continuation of coverage under federal law, state law, or City provisions.
- 3.2 DMO – Dental Maintenance Organization
- 3.3 DPO – Dental Provider Organization
- 3.4 DPO/Prepaid Dental Plan – The dentist is paid a specified amount each month in (Capitation) in return for providing dental services that are needed by each patient who signs up to receive care from the specified provider.
- 3.5 EOB – Explanation of Benefits This is the explanation of how a claim was processed and paid.
- 3.5 PPO – Preferred Provider Organization
- 3.6 PPO/Indemnity Plan – An agreement between a defined group of dentists for the delivery of dental services to plan members at reduced fees.

**4. SCOPE OF WORK**

- 4.1 **Title of Program:** City of Austin Retiree Dental Program.
- 4.2 **Objective:** To contract with one or more vendors to provide the City of Austin retirees and their dependents access to affordable dental coverage commencing January 1, 2018. The dental insurance offered to retirees shall include a fully-

**CITY OF AUSTIN  
SCOPE OF WORK  
RETIREE DENTAL PROGRAM**

insured PPO/Indemnity plan and a DMO/Pre-Paid dental plan. Services shall include eligibility, management of network, claims administration of the dental plan, responding to customer service inquiries from members and providers, and other related services.

**4.3 General Requirements:** Responses for fully insured dental programs shall include all Covered Persons.

**4.4 General Information:**

4.4.1 The City will accept responses from dental companies, insurance agents and brokers. Dental companies are not required to have a broker represent them; the City will contract directly with the dental company, not the agent/broker. However, if the City receives more than one (1) response for any given dental company, all responses for the dental company will be rejected.

4.4.2 Brokers' fees/commissions are at the Contractor's expense.

**4.5 Program Coverage Requirements:**

**4.5.1 Plan Design**

4.5.1.1 PPO/Indemnity Proposer shall provide a plan with a \$50 annual deductible and \$1,000 annual plan maximum per individual as outlined in the 2017 Benefits Enrollment Guide for Retirees and Surviving Dependents. Additional plan design options may also be included.

4.5.1.2 DMO/Pre-Paid Proposer shall provide a plan similar to the current plan design outlined in the 2017 Benefits enrollment Guide for Retirees and Surviving Dependents.

4.5.1.3 The Contractor shall provide a detailed summary plan description complete with a description of the scope of benefits, coinsurance or copayments, exclusions and limitations for each plan proposed.

**4.5.2 Provider Network**

4.5.2.1 The Contractor shall have providers in the Austin and surrounding areas for the following counties, is Bastrop, Blanco, Burnett, Caldwell, Hays, Travis, and Williamson.

4.5.2.2 The Contractor shall have a direct relationship with Providers in its network, and may not lease, borrow, or otherwise obtain use of a provider panel from another company.

**4.5.3 Identification Cards**

4.5.3.1 The Contractor shall issue ID cards and mail them to Covered Person's home addresses within 60 days of contract execution.

4.5.3.2 ID cards shall have an identification number other than a social security number.

**4.6 Significant Event Requirement:** The Contractor shall notify the City within 24 hours or less of any current or prospective significant event. As used in this provision, a "significant event" is any occurrence or anticipated occurrence which might reasonably be expected to have a material effect upon the Contractor's ability to meet its contractual obligations to the City. Significant events may include, but are not limited to, the following:

**CITY OF AUSTIN  
SCOPE OF WORK  
RETIREE DENTAL PROGRAM**

- 4.6.1 Disposal of major assets.
- 4.6.2 Any major computer software conversion, enhancement or modification to the operating systems, security systems, and application software, used in the performance of this contract.
- 4.6.3 Termination or addition of large provider contracts.
- 4.6.4 Strikes, slow-downs or substantial impairment of the organization's facilities or of other facilities used by the organization in the performance of this contract.
- 4.6.5 Impairment of security.
- 4.6.6 Reorganization, reduction and/or relocation in key personnel such as, but not limited to, client team, customer service representatives or claims adjusters.
- 4.6.7 Known or anticipated merger or acquisition.

**4.7 Effective Dates and Termination Dates of Coverage Requirements:**

- 4.7.1 The City determines effective and termination dates of Covered Persons.
- 4.7.2 The Group Policy's effective date is January 1, 2018.
- 4.7.3 When adding coverage during open enrollment coverage is effective January 1.
- 4.7.4 Coverage is terminated 12:00 midnight January 1 when terminated during annual open enrollment.
- 4.7.5 Dependents who lose eligibility are covered through the end of the month they lose eligibility.

**4.8 Eligibility Requirements:**

- 4.8.1 Contractor cannot impose any minimum enrollment requirements.
- 4.8.2 Contractor shall agree to abide by the City's eligibility and effective dates for all Covered Persons. (Refer to 2017 Benefits Enrollment Guide for Retirees and Surviving Dependents).
- 4.8.3 Contractor shall agree to use the City's enrollment forms.
- 4.8.4 Contractor shall be able to accept enrollment information electronically in the most recent layout format required by HIPAA, currently an 834 file. Contractor shall work with City's third party eligibility vendor on file layout and transmittal of file. Error reports shall be provided bi-weekly to both the City and its third party eligibility vendor.
- 4.8.5 The City determines eligibility.
- 4.8.6 The Contractor shall maintain eligibility and claim records/history on each Covered Person according to industry standards.
- 4.8.7 The Contractor shall accept Covered Person's Social Security Number.
- 4.8.8 The Contractor shall be able to assign an identifier other than the Covered Person's Social Security Number.

**4.9 Transition and Implementation Timeline Requirements:**

- 4.9.1 Within 30 days of contract award, the Contractor shall meet with the City to finalize the plan design, administrative procedures, and expectations.
- 4.9.2 Certificates of coverage shall be finalized prior to September 1, 2017.
- 4.9.3 Contractor shall provide training and education sessions for appropriate City staff (approximately 10 employees) concerning all facets of program administration.

**CITY OF AUSTIN  
SCOPE OF WORK  
RETIREE DENTAL PROGRAM**

- 4.9.4 Contractor shall prepare for and attend all onsite City of Austin employer-requested meetings and presentations during business hours. This includes approximately four presentations during the annual Open Enrollment period. Open Enrollment occurs mid-October through mid-November of each year.
- 4.9.5 Contractor shall prepare and deliver approximately 6,800 copies of Open Enrollment materials, as specified by the City, by the end of the first week in September. The City prefers that the enrollment materials be printed on recycled paper in accordance with EPA guidelines (reference Section 0400 Supplemental Purchase Provision – Item 5, Recycled Products).
- 4.9.6 Customer Service line shall be operational during regular business hours three (3) days prior to the beginning date of Open Enrollment.
- 4.9.7 Open Enrollment eligibility files shall be loaded on the Contractor's system by the first Monday in December each year.
- 4.9.8 Contractor shall be fully operational, including ability to verify eligibility, verify benefits, and process claims, as of 12:01 a.m. on January 1, 2018.
- 4.9.9 Should the City extend the contract for renewal periods, the Contractor shall meet the same timeline requirements for each succeeding renewal period as previously listed.

**4.10 Customer Service Requirements:**

- 4.10.1 The Contractor's customer service shall include, at a minimum: verification of eligibility and benefits; claim inquiries; problem resolution; education of the plan; and provider information.
- 4.10.2 The Contractor shall provide web access that at a minimum allows Covered Persons to access participating providers.
- 4.10.3 The City requires customer inquiries or complaints to be resolved within one to two working days from when the complaint is received.
- 4.10.4 The Contractor shall have a toll free number available for Covered Persons.
- 4.10.5 The Contractor shall have a primary contact for City of Austin Employee Benefit staff.
- 4.10.6 The Contractor shall have a TTY telephone line available for the hearing impaired.
- 4.10.7 Contractor shall meet quarterly with the City Employee Benefits staff.
- 4.10.8 All materials and communications have to be approved by City staff prior to distribution and formatted in easy to understand language.
- 4.10.9 Contractor shall send Covered Person's Explanation of Benefits, and duplicate Explanation of Benefits, if requested by Covered Persons and all other communications (at no additional charge). This includes new enrollees throughout the plan year. All pricing including postage shall be included in the Contractor's rates.

**4.11 Reporting Requirements:**

- 4.11.1 PPO/Indemnity Contractor shall provide quarterly and year-end reports.
- 4.11.2 Quarterly reports are due on the 15<sup>th</sup> day of the month following the last day of the time period for which the reported.
- 4.11.3 Annual reports are due no later than March 10<sup>th</sup> of the following year. i.e. 2017 annual report will be due March 10, 2018. The reports shall include Performance Measure Metrics listed in Section 0625.
- 4.11.4 At a minimum, the reports should include utilization showing type of service enrollment showing Subscribers, Dependents and total lives.

**CITY OF AUSTIN  
SCOPE OF WORK  
RETIREE DENTAL PROGRAM**

**4.12 Federal, State and Local Law and related Requirements:**

- 4.12.1 The Contractor shall administer the plan in strict compliance with federal, state and local laws.
- 4.12.2 City of Austin policies and procedures will govern over the Contractor's administrative procedures.
- 4.12.3 The Contractor shall notify the City of changes in law, regulations, or other requirements which affect coverage offered by the City within 30 days of enactment.
- 4.12.4 The Contractor shall provide assurance of its compliance with HIPAA rules and regulations and shall comply with the City's Business Associate Agreement.

**4.13 Rates and Premium Requirements**

- 4.13.1 The Contractor shall guarantee rates for the initial thirty-six (36)-month period regardless of actual enrollment.
- 4.12.2 The Contractor shall provide guaranteed rates or maximum percentage rate caps for the extension option periods regardless of actual enrollment.
- 4.12.3 Maximum Percentage Rate Caps. In order for the City to prepare future budgets, preliminary rates shall be completed and submitted to the City by February 15<sup>th</sup> of each year for the following plan year. Final rates for the following plan year must be submitted no later than March 15<sup>th</sup> of each year (i.e. final rates for 2019 submitted by March 15, 2018).
- 4.12.4 The Contractor agrees that all costs for requirements of the contract will be included as part of the Contractor's basic premium; and inclusive of labor, materials, supplies, printing, travel and all costs and fees including administrative burden for providing retiree dental coverage.
- 4.12.5 The Contractor will not change benefits or rates for the term of this contract without prior City approval. Any changes recommended for any renewal period must be approved and agreed upon in advance and in writing by the City.
- 4.12.6 The City will calculate monthly premiums for coverage. The City's determination of eligible Covered Persons for which payment will be made, will be based on coverage the 1<sup>st</sup> of each month.
- 4.12.7 The City's payment will be made by check no later than the last day of the following month for which payment is being made. The City's payment will be considered made on the payment postmark date.

**CITY OF AUSTIN  
PURCHASING OFFICE  
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS  
SOLICITATION NUMBER: EAD0131**

**1. PROPOSAL FORMAT:**

Submit one original paper copy and an electronic copy of the original proposal in PDF version on six separate flash drives. The original proposal shall contain ink signatures and shall be typed on standard 8 1/2" X 11" paper, double-sided, and have consecutively numbered pages.

The proposal itself shall be organized in the following format and informational sequence. Use tabs to divide each part of the Proposal and include a Table of Contents:

<b>Section I</b>
------------------

**Tab 1 – City of Austin Purchasing Office Documents** - Complete and submit the following documents in Tab 1:

- A. Signed Offer Sheet
- B. Section 0605 Local Business Presence Identification Form
- C. Section 0800 Non-Discrimination and Non-Retaliation Certification
- D. Section 0835 Non-Resident Bidder Provisions Form
- E. Section 0900 Minority and Women-Owned Business Enterprise (MBE/WBE) Procurement Program No Goals Form

**Tab 2 – Authorized Negotiator:** Include name, mailing address, email address, and telephone number of the officer or other representative in your organization authorized to negotiate and execute binding contract terms.

**Tab 3 – References:** Provide a list of three (3) current or previous public sector clients with over 5,000 employees. All client reference information must be supported and verified. Reference contacts must be aware that they are being used and agreeable to City interview for follow-up. References shall include the following:

- Agency
- Number of employees
- Year contract was awarded and length of contract
- Agency contract manager
- Title
- Direct telephone number
- Email address

**Tab 4 – Executive Summary:** Proposer shall provide an Executive Summary of three (3) pages or less, which gives in brief, concise terms, a summation of the proposal. Include the number of years your company has been in business, a summary of your company's history and experience, and how your organization will exceed the performance of other vendors in relation to pricing, claims administration, and customer service. Please also address how your organization will serve the City of Austin's needs relative to the needs of your other clients.

**Tab 5 – Personnel:** Provide a general explanation and organization chart which specifies project leadership and reporting responsibilities; and interface the team with City project management and team personnel. If the use of subcontractors is proposed, identify their placement in the primary management structure, and provide internal management description for each subcontractor.

Identify all key persons and their title, including the account manager, who will be assigned to the City of Austin and include the following:

**CITY OF AUSTIN  
PURCHASING OFFICE  
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS  
SOLICITATION NUMBER: EAD0131**

- A. The number of clients they are responsible for
- B. Percentage of time they will be allocated to the City of Austin
- C. Office location
- D. Resumes
- E. Indicate professional licensure or membership

**Tab 6 – Human Resource Department Required Forms:** Fill out the following forms and place them in this tab. Any exceptions to these forms shall be identified in Section 0630 Exceptions. Be advised that exceptions to any portion of the Solicitation may jeopardize acceptance of the Proposal.

- A. Section 0608 Provider Network Form – also include a sample identification card
- B. Section 0615 Customer Service Form
- C. Section 0620 Business Organization Form
- D. Section 0625 Performance Measures Form
- E. Section 0630 Exceptions
- F. Section 0640 HIPPA Business Associate Agreement

**Section II**

Price Proposal & Alternative Plans - Complete and submit Section 0610 Rate Sheet. Fill in any of the sections that are applicable to the plan(s) your company is proposing. If pricing for these services are not submitted on Section 0610 Design Rate Sheet, then the Offeror may be deemed nonresponsive.

Rates as agreed upon by both parties shall be firm and guaranteed regardless of actual enrollment per plan year.

When proposing plan designs and alternate plan designs, attach a description of each plan.

**Section III**

**Local Business Presence:** The City seeks opportunities for businesses in the Austin Corporate City Limits to participate on City contracts. A firm (Offeror or Subcontractor) is considered to have a Local Business Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years, currently employs residents of the City of Austin, Texas, and will use employees that reside in the City of Austin, Texas, to support this contract. The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines branch office as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation. Points will be awarded through a combination of the Offeror's Local Business Presence and/or the Local Business Presence of their subcontractors. Evaluation of the Team's Percentage of Local Business Presence will be based on the dollar amount of work as reflected in the Offeror's MBE/WBE Compliance Plan or MBE/WBE Utilization Plan. Specify if and by which definition the Offeror or Subcontractor(s) have a local business presence.

**Proposal Acceptance Period:** All proposals are valid for a period of one hundred and eighty (180) calendar days subsequent to the RFP closing date unless a longer acceptance period is offered in the proposal.

**Proprietary Information:** All material submitted to the City becomes public property and is subject to Texas Open Records Act upon receipt. If a Proposer does not desire proprietary information in the Proposal to be disclosed, each page must be identified and marked proprietary at time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what

**CITY OF AUSTIN  
PURCHASING OFFICE  
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS  
SOLICITATION NUMBER: EAD0131**

information must be disclosed, however, lies with the Texas Attorney General. Failure to identify proprietary information will result in all unmarked sections being deemed non-proprietary and available upon public request.

**Proposal Preparation Costs:** All costs directly or indirectly related to preparation of a response to the RFP or any oral presentation required to supplement and/or clarify a Proposal which may be required by the City shall be the sole responsibility of the Proposer.

**Compliance:** The Proposer agrees to compliance with terms of this Request for Proposal (RFP) and with all applicable rules and regulations of Federal, State, and Local governing entities.

**Section IV**

**EVALUATION FACTORS AND AWARD:**

**A. Competitive Selection:** This procurement will comply with applicable City Policy. The successful Proposer will be selected by the City on a rational basis. Evaluation factors outlined in Paragraph B below shall be applied to all eligible, responsive Proposers in comparing proposals and selecting the Best Offeror. Award of a Contract may be made without discussion with Proposers after proposals are received. Proposals should, therefore, be submitted on the most favorable terms.

**B. Evaluation Factors:** All Proposals will be evaluated based on the following criteria and rankings.

**Maximum 100 points.**

1. **Price Proposal:** Whichever Offeror offers the City the most competitive price for each plan will be awarded the maximum amount of points. Remaining points will be distributed on a pro-rated basis – Reference Section II **(40 points)**
2. **Compliance to Requirements:** Responsiveness to RFP requirements and all contract term provisions including all HRD Required Forms and specifically exceptions described in Section 0630 – Reference Section I, Tab 6 **(30 points)**
3. **Applicable Experience** – reference Section I, Tab 3 and Tab 5 **(20 points)**
4. **Local Business Presence: (Maximum 10 points)**

<b>Team's Local Business Presence</b>	<b>Points Awarded</b>
Local business presence of 90% to 100%	10
Local business presence of 75% to 89%	8
Local business presence of 50% to 74%	6
Local business presence of 25% to 49%	4
Local presence of between 1 and 24%	2
No local presence	0

Presentations, Demonstrations Optional. The City will score proposals on the basis of the criteria listed above. The City may select a "short list" of Proposers based on those scores. "Short-listed" Proposers may be invited for presentations, or demonstrations with the City. The City reserves the right to re-score "short-listed" proposals as a result, and to make award recommendations on that basis.

**Section 0605: Local Business Presence Identification**

A firm (Offeror or Subcontractor) is considered to have a Local Business Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years, currently employs residents of the City of Austin, Texas, and will use employees that reside in the City of Austin, Texas, to support this Contract. The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines branch office as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation.

**OFFEROR MUST SUBMIT THE FOLLOWING INFORMATION FOR EACH LOCAL BUSINESS (INCLUDING THE OFFEROR, IF APPLICABLE) TO BE CONSIDERED FOR LOCAL PRESENCE.**

*NOTE: ALL FIRMS MUST BE IDENTIFIED ON THE MBE/WBE COMPLIANCE PLAN OR NO GOALS UTILIZATION PLAN (REFERENCE SECTION 0900).*

**\*USE ADDITIONAL PAGES AS NECESSARY\* OFFEROR:**

Name of Local Firm	United Dental Care of Texas, Inc.	
Physical Address	9600 Grant Hills Trail-150W, Austin, TX 78759	
Is your headquarters located in the Corporate City Limits? (circle one)		<b>No</b>
or		
Has your branch office been located in the Corporate City Limits for the last 5 years?	<b>Yes</b>	
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)		<b>No</b>

Headquarters:  
United Dental Care of Texas, Inc.  
2745 N. Dallas Parkway, Ste. 500  
Plano, TX 75093

Austin Service Office:  
9600 Grant Hills Trail-150W  
Austin, TX 78759

CITY OF AUSTIN, TEXAS  
LIVING WAGES EMPLOYEE CERTIFICATION

Contract Number: RFP EAD0131	Description of Services: Retiree Dental Insurance
Contractor Name: United Dental Care of Texas, Inc. – Sun Life Assurance Company of Canada	

Pursuant to the Living Wages provision of the contract (reference Section 0400, Supplemental Purchase Provisions), the Contractor is required to pay to all employees directly assigned to this City contract a minimum Living Wage equal to or greater than \$13.50 per hour. In addition, employees are required to certify that they are compensated in accordance with the Living Wage provision. Contractors are prohibited from retaliating against any employee claiming non-compliance with the Living Wage provision.

I hereby certify that I am directly assigned to this contract and that I am compensated at wage rates equal to or greater than \$13.50 per hour.

Employee's Title: Insert Employee's Title	
Signature of Employee	Date
Type or Print Name Insert Employee's Name	

The names of employees constitute confidential information and we cannot provide due to privacy concerns.

*Stacia N. Almquist*  
(Witness Signature)

Stacia N. Almquist, VP- Dental & Vision  
(Printed Name)

**City of Austin, Texas**  
**Living Wages and Benefits Employee Certification**

**RFP EAD0131- Retiree Dental Insurance**

The names of employees constitute confidential information and we cannot provide due to privacy concerns.

Job Description for Living Wages

Employee Job Title	Job Requirements	Time Requirements
Dental Claims Associate	<p>Provide customer service via toll-free number to members &amp; provider office personnel regarding eligibility, plan benefits, claim status, claim issues and assist members in locating participating providers.</p> <p>Process dental claims.</p>	<p>Thirteen (13) dedicated team members provide service to the City.</p> <p>Currently, time required averages less than 5% weekly.</p>
Underwriter	Prepare the annual renewal.	Currently, time required averages less than 5% weekly.
Policy Specialist	<p>Initial installation of policyholder, member, and plan benefits information on our system.</p> <p>Initial fulfillment request (ID cards, Certificates of Coverage &amp; Evidence of Coverage).</p> <p>Amendments / plan updates.</p>	At installation only, 20 hours are dedicated to policyholder set up and member enrollment.
Account Manager / Employee Benefits Advisor	<p>Primary contact for administrative issues across all areas (billing, eligibility, claims, amendments).</p> <p>Track and report Performance Guarantees.</p> <p>Attendance at performance meetings.</p>	<p>Time requirements vary throughout the year based on open enrollment, performance reporting and performance meetings.</p> <p>Currently, time required averages less than 5% weekly.</p>
Sales Representative	As needed or requested by the City to facilitate high level issue resolution and to consult on plan/benefit design modifications.	As needed or requested by the City.
Provider Relations Representative	Review weekly/monthly network data and determine potential actions to assist with growth or provider recruitment.	Currently, we have one (1) Provider Rep and one (1) manager dedicated to recruitment 1-2 weeks a month in the Austin Metro Area.
Customer Advocacy Representative	Provide service to the City's HR personnel. Responsible for Electronic Eligibility files and resolution of file discrepancies.	Currently, time required averages less than 5% weekly.

**City of Austin, Texas**  
**NON-DISCRIMINATION AND NON-RETALIATION CERTIFICATION**

**City of Austin, Texas**

**Equal Employment/Fair Housing Office**

To: City of Austin, Texas,

I hereby certify that our firm complies with the Code of the City of Austin, Section 5-4-2 as reiterated below, and agrees:

- (1) Not to engage in any discriminatory employment practice defined in this chapter.
- (2) To take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without discrimination being practiced against them as defined in this chapter, including affirmative action relative to employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training or any other terms, conditions or privileges of employment.
- (3) To post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Equal Employment/Fair Housing Office setting forth the provisions of this chapter.
- (4) To state in all solicitations or advertisements for employees placed by or on behalf of the Contractor, that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, national origin, sexual orientation, gender identity, disability, sex or age.
- (5) To obtain a written statement from any labor union or labor organization furnishing labor or service to Contractors in which said union or organization has agreed not to engage in any discriminatory employment practices as defined in this chapter and to take affirmative action to implement policies and provisions of this chapter.
- (6) To cooperate fully with City and the Equal Employment/Fair Housing Office in connection with any investigation or conciliation effort of the Equal Employment/Fair Housing Office to ensure that the purpose of the provisions against discriminatory employment practices are being carried out.
- (7) To require of all subcontractors having 15 or more employees who hold any subcontract providing for the expenditure of \$2,000 or more in connection with any contract with the City subject to the terms of this chapter that they do not engage in any discriminatory employment practice as defined in this chapter

For the purposes of this Offer and any resulting Contract, Contractor adopts the provisions of the City's Minimum Standard Non-Discrimination and Non-Retaliation Policy set forth below.

**City of Austin**  
**Minimum Standard Non-Discrimination and Non-Retaliation in Employment Policy**

As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations.

The Contractor will not discriminate against any applicant or employee based on race, creed, color, national origin, sex, age, religion, veteran status, gender identity, disability, or sexual orientation. This policy covers all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising, selection for training and apprenticeship, rates of pay or other forms of compensation, and layoff or termination.

The Contractor agrees to prohibit retaliation, discharge or otherwise discrimination against any employee or applicant for employment who has inquired about, discussed or disclosed their compensation.

Further, employees who experience discrimination, sexual harassment, or another form of harassment should immediately report it to their supervisor. If this is not a suitable avenue for addressing their complaint, employees are advised to contact another member of management or their human resources representative. No employee shall be discriminated against, harassed, intimidated, nor suffer any reprisal as a result of reporting a violation of this policy. Furthermore, any employee, supervisor, or manager who becomes aware of any such discrimination or harassment should immediately report it to executive management or the human resources office to ensure that such conduct does not continue.

Contractor agrees that to the extent of any inconsistency, omission, or conflict with its current nondiscrimination and non-retaliation employment policy, the Contractor has expressly adopted the provisions of the City's Minimum Non-Discrimination Policy contained in Section 5-4-2 of the City Code and set forth above, as the Contractor's Non-Discrimination Policy or as an amendment to such Policy and such provisions are intended to not only supplement the Contractor's policy, but will also supersede the Contractor's policy to the extent of any conflict.

UPON CONTRACT AWARD, THE CONTRACTOR SHALL PROVIDE THE CITY A COPY OF THE CONTRACTOR'S NON-DISCRIMINATION AND NON-RETALIATION POLICIES ON COMPANY LETTERHEAD, WHICH CONFORMS IN FORM, SCOPE, AND CONTENT TO THE CITY'S MINIMUM NONDISCRIMINATION AND NON-RETALIATION POLICIES, AS SET FORTH HEREIN, OR THIS NONDISCRIMINATION AND NON-RETALIATION POLICY, WHICH HAS BEEN ADOPTED BY THE CONTRACTOR FOR ALL PURPOSES WILL BE CONSIDERED THE CONTRACTOR'S NONDISCRIMINATION AND NON-RETALIATION POLICY WITHOUT THE REQUIREMENT OF A SEPARATE SUBMITTAL

**Sanctions:**

Our firm understands that non-compliance with Chapter 5-4 and the City's Non-Retaliation Policy may result in sanctions, including termination of the contract and suspension or debarment from participation in future City contracts until deemed compliant with the requirements of Chapter 5-4 and the Non-Retaliation Policy.

**Term:**

The Contractor agrees that this Section 0800 Non-Discrimination and Non-Retaliation Certificate of the Contractor's separate conforming policy, which the Contractor has executed and filed with the City, will remain in force and effect for one year from the date of filing. The Contractor further agrees that, in consideration of the receipt of continued Contract payment, the Contractor's Non-Discrimination and Non-Retaliation Policy will automatically renew from year-to-year for the term of the underlying Contract.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

CONTRACTOR Sun Life Assurance Company of Canada

Authorized Signature \_\_\_\_\_



Title: Senior Vice-President, Group and Voluntary Business, SLF U.S.



**Section 0835: Non-Resident Bidder Provisions**

Company Name: Union Security Insurance Company

- A. Bidder must answer the following questions in accordance with Vernon's Texas Statutes and Codes Annotated Government Code 2252.002, as amended:

Is the Bidder that is making and submitting this Bid a "Resident Bidder" or a "non-resident Bidder"?

Answer: Non-Resident Bidder

- (1) Texas Resident Bidder- A Bidder whose principle place of business is in Texas and includes a Contractor whose ultimate parent company or majority owner has its principal place of business in Texas.  
(2) Nonresident Bidder- A Bidder who is not a Texas Resident Bidder.

- B. If the Bidder id a "Nonresident Bidder" does the state, in which the Nonresident Bidder's principal place of business is located, have a law requiring a Nonresident Bidder of that state to bid a certain amount or percentage under the Bid of a Resident Bidder of that state in order for the nonresident Bidder of that state to be awarded a Contract on such bid in said state?

Answer: No Which State: Kansas

- C. If the answer to Question B is "yes", then what amount or percentage must a Texas Resident Bidder bid under the bid price of a Resident Bidder of that state in order to be awarded a Contract on such bid in said state?

Answer: \_\_\_\_\_

**Section 0835: Non-Resident Bidder Provisions**

Company Name: United Dental Care of Texas, Inc

- A. Bidder must answer the following questions in accordance with Vernon's Texas Statutes and Codes Annotated Government Code 2252.002, as amended:

Is the Bidder that is making and submitting this Bid a "Resident Bidder" or a "non-resident Bidder"?

Answer: Resident Bidder

- (1) Texas Resident Bidder- A Bidder whose principle place of business is in Texas and includes a Contractor whose ultimate parent company or majority owner has its principal place of business in Texas.  
(2) Nonresident Bidder- A Bidder who is not a Texas Resident Bidder.

- B. If the Bidder id a "Nonresident Bidder" does the state, in which the Nonresident Bidder's principal place of business is located, have a law requiring a Nonresident Bidder of that state to bid a certain amount or percentage under the Bid of a Resident Bidder of that state in order for the nonresident Bidder of that state to be awarded a Contract on such bid in said state?

Answer: \_\_\_\_\_ Which State: \_\_\_\_\_

- C. If the answer to Question B is "yes", then what amount or percentage must a Texas Resident Bidder bid under the bid price of a Resident Bidder of that state in order to be awarded a Contract on such bid in said state?

Answer: \_\_\_\_\_

Section 0900 Minority and Women Owned Business Enterprise - No Goals

United Dental Care of Texas, Inc. and Union Security Insurance Company have entered into an Administrative Services Agreement with its affiliate Sun Life Assurance Company of Canada by which Sun Life Assurance Company of Canada provides administrative services to and on behalf of United Dental Care of Texas, Inc. and Union Security Insurance Company.

**MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)  
PROCUREMENT PROGRAM  
NO GOALS FORM**

SOLICITATION NUMBER: EAD0131  
PROJECT NAME: Retiree Dental Insurance

**The City of Austin has determined that no goals are appropriate for this project.** Even though no goals have been established for this solicitation, the Bidder/Proposer is required to comply with the City's MBE/WBE Procurement Program, if areas of subcontracting are identified.

If any service is needed to perform the Contract and the Bidder/Proposer does not perform the service with its own workforce or if supplies or materials are required and the Bidder/Proposer does not have the supplies or materials in its inventory, the Bidder/Proposer shall contact the Small and Minority Business Resources Department (SMBR) at (512) 974-7600 to obtain a list of MBE and WBE firms available to perform the service or provide the supplies or materials. The Bidder/Proposer must also make a Good Faith Effort to use available MBE and WBE firms. Good Faith Efforts include but are not limited to contacting the listed MBE and WBE firms to solicit their interest in performing on the Contract; using MBE and WBE firms that have shown an interest, meet qualifications, and are competitive in the market; and documenting the results of the contacts.

**Will subcontractors or sub-consultants or suppliers be used to perform portions of this Contract?**

No  If no, please sign the No Goals Form and submit it with your Bid/Proposal in a sealed envelope.

Yes  If yes, please contact SMBR to obtain further instructions and an availability list and perform Good Faith Efforts. Complete and submit the No Goals Form and the No Goals Utilization Plan with your Bid/Proposal in a sealed envelope.

**After Contract award, if your firm subcontracts any portion of the Contract, it is a requirement to complete Good Faith Efforts and the No Goals Utilization Plan, listing any subcontractor, subconsultant, or supplier. Return the completed Plan to the Project Manager or the Contract Manager.**

**I understand that even though no goals have been established, I must comply with the City's MBE/WBE Procurement Program if subcontracting areas are identified. I agree that this No Goals Form and No Goals Utilization Plan shall become a part of my Contract with the City of Austin.**

**Sun Life Assurance Company of Canada**  
\_\_\_\_\_  
Company Name

**Stacia N. Almquist, VP- Dental & Vision**  
\_\_\_\_\_  
Name and Title of Authorized Representative (Print or Type)

*Stacia N. Almquist*  
\_\_\_\_\_

Signature

**5/8/2017**  
\_\_\_\_\_

Date

# CONFLICT OF INTEREST QUESTIONNAIRE

# FORM CIQ

## For vendor doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

### OFFICE USE ONLY

Date Received

**1 Name of vendor who has a business relationship with local governmental entity.**

Sun Life Assurance Company

**2**

Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

**3 Name of local government officer about whom the information is being disclosed.**

\_\_\_\_\_  
Name of Officer

**4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.**

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes  No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes  No

**5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.**

None

**6**

Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

**7**



Signature of vendor doing business with the governmental entity

Date: 4.21.2017

# CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.  
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

## OFFICE USE ONLY CERTIFICATION OF FILING

**1 Name of business entity filing form, and the city, state and country of the business entity's place of business.**  
United Dental Care of Texas, Inc.  
Plano, TX United States

Certificate Number:  
2017-194973

Date Filed:  
04/19/2017

**2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.**  
City of Austin

Date Acknowledged:

**3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.**  
RFP EAD0131  
Prepaid Dental

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Sun Life Assurance Company of Canada	Wellesley Hills, MA United States	X	

**5 Check only if there is NO Interested Party.**

**6 AFFIDAVIT** I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

**ROBIN L. PIERCE**  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Clay County  
My Commission Expires: September 23, 2020  
Commission Number: 12616812

*Stacia N. Almgvist*

\_\_\_\_\_  
Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said Stacia N. Almgvist, this the 19 day of April, 2017, to certify which, witness my hand and seal of office.

*Robin L. Pierce*  
\_\_\_\_\_  
Signature of officer administering oath

Robin L. Pierce  
\_\_\_\_\_  
Printed name of officer administering oath

Notary Public  
\_\_\_\_\_  
Title of officer administering oath

**TAB II- Authorized Negotiator/Executor**

**Stacia Almquist, VP, Dental & Vision**  
**2323 Grand Blvd.**  
**Kansas City, MO 64108**  
**816-556-7326**  
**[Stacia.almquist@sunlife.com](mailto:Stacia.almquist@sunlife.com)**

**Dianna Duvall, VP, Group & Voluntary Underwriting**  
**2323 Grand Blvd.**  
**Kansas City, MO 64108**  
**816-881-8403**  
**[Dianna.duvall@sunlife.com](mailto:Dianna.duvall@sunlife.com)**

**Tab 3 – References:**

Travis County	Shannon Steele, Benefits Manager	512-854-6046	<a href="mailto:Shannon.steele@traviscountytx.gov">Shannon.steele@traviscountytx.gov</a>	Effective date: September, 2010	5,000 enrolled employees
State of Oklahoma	Paul King, OMES Privacy Officer	405-717-8880	<a href="mailto:Paul.King@omes.ok.gov">Paul.King@omes.ok.gov</a>	Effective date: July, 1998	6,500 enrolled employees
Arizona State Retirement Systems	Frank Perri, Benefits Program Manager	602-240-5356	<a href="mailto:frankpe@azasrs.gov">frankpe@azasrs.gov</a>	Effective date: January, 2001	35,000 enrolled employees



## Executive Summary

Sun Life Financial is pleased to submit the Prepaid Dental renewal and PPO Dental proposal for the City of Austin.

This response is being provided on behalf of Union Security Insurance Company (USIC), United Dental Care of Texas, Inc. (UDC of TX) and Sun Life Assurance Company of Canada (“Sun Life”), as administrator for USIC and UDC of TX. Effective March 1, 2016, Assurant, Inc. sold its group insurance business and prepaid dental business (“Acquired Business”) to Sun Life (the “Transaction”). The group insurance business and prepaid dental business underwritten or provided by USIC was part of the Transaction.

In connection with the Transaction, as of March 1, 2016, UDC of TX & USIC entered into an Administrative Services Agreement with Sun Life under which Sun Life provides all administrative and other services necessary in connection with the administration of the Acquired Business.

As administrator for USIC, Sun Life is an expert in providing business to the public sector and has over 1000 public sector clients throughout the United States. Sun Life takes the time to train all facets of its business (underwriting, service, enrollment, claims and more) on the intricacies of working with the public sector. Sun Life’s history and depth of experience sets it apart.

### Key Highlights of Our Offer

The City of Austin will have the support and commitment from our dedicated National Accounts team. In addition to this commitment backed by a tenured staff that has extensive experience working with large employers like the City of Austin, the following are some highlights of our offer:

#### Prepaid Dental Renewal

- Ø 3 Year Rate Guarantee at the current rates.
- Ø 3% rate cap in year 4 & 5
- Ø Superior access to specialty dental care through our Specialty Benefit (SB) with no referral (see below for more detail)
- Ø Orthodontic Benefit – 25% discount through contracted Orthodontists with no age limit
- Ø Only simple co-payments - no deductibles or plan maximums
- Ø VSP vision discount plan included at no charge
- Ø No claims to file
- Ø Unique ID #'s for Participants in the plan.

A unique and important feature of our Prepaid plans is the **Specialty Benefit Amendment (SB)**. Our SB significantly increases our clients' coverage, while lowering their potential out of pocket exposure. It is far reaching into the specialized dental disciplines, covering over 30 procedure codes in the specialized areas of endodontics, periodontics, and oral surgery. The SB gives our patients the added benefit of fixed co-payments instead of discounts for specialty care, greatly enhancing their opportunities for the best solutions for long range dental health, while saving them money versus traditional discount arrangements. The SB includes benefits for some services with an out of network specialist.

Indemnity PPO Plan

- Ø One of the nation's largest dental networks with access to more than 100,000 unique dentists.
- Ø 2 year rate guarantee
- Ø Matching current rates
- Ø Lifetime of Smiles – the following services at no additional cost
  - § Brush Biopsies
  - § Genetic Testing
  - § Periochips
  - § On-line Dental Health Center
- Ø Dental Network Optimization Program included to target recruiting efforts of dentists.
- Ø Support from our National Accounts Enrollment Services team to aid in the communication and enrollment support for the retirees.
- Ø Dedicated Implementation Manager – who will facilitate a smooth transition
- Ø Unique ID #'s for Participants in the plan.

Sun Life is a leading international financial services organization providing a diverse range of wealth accumulation and protection products and services to individual and corporate customers. Tracing its roots back to 1865, Sun Life Financial and its affiliates today have operations in key markets worldwide. Sun Life Financial entered the United States insurance marketplace in 1895, providing group life insurance since 1924.

We are excited for the opportunity to provide a comprehensive offer to support City of Austin's Dental Insurance program. Please feel free to contact me if you have any questions and thank you for your consideration.

Sincerely,

Matt Hershberger  
National Account Representative  
Sun Life Financial  
(C ) 713-553-4623  
[Matt.Hershberger@sunlife.com](mailto:Matt.Hershberger@sunlife.com)

**Tab 5 – Personnel:**

Matt Hershberger, Senior Group Sales Representative  
Houston, Texas

Matt Hershberger is the City of Austin's National Accounts Sales Representative. Matt began his career with Sun Life Financial in 2000. He has extensive experience working with large employers in Texas and across the United States. Matt has broad product knowledge to help support the City's comprehensive insurance program and is an extension of his tenured service team.

Nicole Miller, Client Relationship Executive

Nicole is currently the assigned Client Relationship Executive for the City. She is located in Austin. Nicole began her career with Sun Life Financial in 2004. She will continue to be the liaison to all Sun Life departments and will provide superior plan management, administration, and service the City every day. Nicole will be closely involved in the management of the service requirements under this contract. She will partner with the City to understand your business needs and offer recommendations regarding plan improvements to meet or exceed the City's expectations. She also has the experience and expertise to explain benefit plans and services to both the City and their employees. Nicole will be strategically involved in the renewal discussions and will be the contact for issues that may arise during the year and will work to educate the client on Sun Life Financial products and systems.

Wanda Walker, EDX Specialist

Wanda will continue to be the City's dedicated service contact. She is responsible for the day to day administration of the City's enrollment file. She ensures enrollments, terminations and changes are processed within required time frame. In addition, if you have any emergency eligibility changes that must be added to the administration system prior to the regular weekly EDI feed, this resource will be able to assist you in making these changes. She also works closely with the City to handle any bill reconciliation. Wanda has been with Sun Life for 18 years and has worked with the EDX clients for over 5 years.

Upon selection as the carrier of choice, Sun Life will assign the City a dedicated Implementation Manager to oversee your implementation. The Implementation Manager will partner with your Client Relationship Executive, Nicole, and other internal partners to ensure a smooth plan implementation. We guarantee that all inquiries to your Client Relationship Executive and Implementation Manager will be returned within one business day.

Your Implementation Manager will immediately schedule an initial implementation meeting with you. Our goal is to complete the initial meeting within the first 10 business days of being selected as your carrier. During the initial implementation meeting, we develop a mutually agreed upon schedule to ensure a smooth and successful implementation. We will plan a regular conference call time to cover the various components of the implementation.

Once we receive all necessary information we complete the customer forms, risk approve the plan, set up claims and premium systems, and make available the policy/contract, booklets and ID cards according to the implementation plan.

Two weeks after the effective date, we will hold an implementation follow-up call to answer any questions you may have and ensure your satisfaction with the implementation. We will continue participate in regular discussions with the client as long as necessary to ensure an efficient, effective implementation.

**CITY OF AUSTIN PURCHASING OFFICE RETIREE DENTAL PROGRAM 0608: PROVIDER  
NETWORK INFORMATION SOLICITATION NUMBER: EAD0131**

Requested Information	Response
<b>Focus primarily in the Austin area:</b>	
What is the ratio of covered persons to primary care dentists?	The Plan has established standards for the number of general dentists within the service area providing for at least one full-time equivalent plan-participating general dentist to each one thousand (1,000) members, and one full-time equivalent plan participating specialist must be available for each twelve hundred (1,200) plan members.
What is the ratio of covered persons to specialists?	The Plan has established standards for the number of general dentists within the service area providing for at least one full-time equivalent plan-participating general dentist to each one thousand (1,000) members, and one full-time equivalent plan participating specialist must be available for each twelve hundred (1,200) plan members.
What is the average length of time between the time a member calls to make an appointment and the appointment date for:	The Plan has established standards for appointment availability and dentist accessibility that ensure that members are able to obtain covered dental services in a timely manner appropriate for the nature of the member's condition consistent with good professional practice. Likewise, the Plan has established monitoring systems and processes to ensure compliance with its clinically appropriate appointment availability standards. The standard for Routine care is 3 weeks; Urgent care is 72 hours; and emergency care is within 24 hours.
Routine care?	3 weeks
Urgent care?	72 hours
Emergency care?	Within 24 hours
Explain your dentist recruitment process.	Our Dental Network Optimization Program is a personalized, targeted recruiting effort with a strong emphasis on the dentists your employees already visit. Through this program, your assigned Dental Network Manager will focus specifically on recruiting these dentists so your employees can continue receiving care from the same provider. We realize that no matter how large our current network is nationally; it doesn't help your employees if their dentists

	<p>are not in our network. By participating in this program, you and your employees will know that we are recruiting the dentists in your area that matter the most. Your group is important to us—we want to make sure our network includes the dentists that your employees are currently seeing.</p>
<p>How often are dentists recruited?</p>	<p>On a quarterly basis, the Plan reviews geographical access reports to verify adequate access to plan participating dentists. When an underserved area is identified, recruitment of dentists in that area becomes a priority.</p>
<p>Do you require your dental providers to agree to an exclusive contract that prohibits them from participating in other managed care plans?</p>	<p>No.</p>
<p>Describe the credentials and standards required for admission to your plan.</p>	<p>When a request for application to the network is received, an on-site inspection of the dentist's office is scheduled and performed. The on-site review includes an inspection of the physical location of the office, compliance with OSHA standards, evaluation of appointment availability, and a review of dental records. Upon completion of the office evaluation, a dentist's paperwork is submitted for credentialing. We follow the National Committee for Quality Assurance (NCQA) standards for its credentialing and recredentialing processes, which require:</p> <ul style="list-style-type: none"> <li>An active state dental license without licensing restrictions; (primary source verification)</li> <li>Completed and signed application and contract;</li> <li>Active unrestricted Drug Enforcement Agency (DEA) license (primary source verification);</li> <li>Adequate and current malpractice insurance;</li> <li>Acceptable rating on facility review including dental record review; (primary dentist only)</li> <li>Acceptable history as obtained from the National Practitioner Data Bank query (this includes history of malpractice suits and all State and Federal disciplinary actions).</li> </ul> <p>Only those dentists with current, complete</p>

	<p>credentials are added to the network. In addition, the schools where participating specialists receive their specialty training are verified to ensure that the American Dental Association accredits such school in the specialty. Once a dentist is contracted with our network, the following ongoing monitoring occurs:</p> <p>Compliance with access standards including access for routine and emergency care.  Monitoring of member satisfaction surveys.  Monitoring of all member complaints for potential patterns and trends.  Monthly monitoring for new disciplinary and sanctioning activity.  Other monitoring as determined necessary by the Plan's Peer Review committee.</p>
<p>Provide the following information about the managed care plan's network of dentists in the Austin area:</p>	
<p>Number of primary care dentists as of March 2017?</p>	<p>This number represents the net change/growth since March of 2016:  Prepaid/DHMO: 112  PPO: 855</p>
<p>Number of specialists as of March 2017?</p>	<p>This number represents the net change/growth since March of 2016:  Prepaid/DHMO: added 75  PPO: added 284</p>
<p>Number of dentists accepting new patients as of March 2016?</p>	<p>Prepaid/DHMO: 97%  PPO: 98%</p>
<p>Number of dentists added to the plan within the past 12 months?</p>	<p>This number represents the net change/growth since March of 2016:  Prepaid/DHMO: 112  PPO: 855</p>
<p>Number of dentists dropped from the plan within the past 12 months?</p>	<p>This number represents the net change/growth since March of 2016:  Prepaid/DHMO: 112  PPO: 855</p>
<p>Do you monitor or audit your network dentists? If so, what measures are used to assure quality of care and contract compliance?</p>	<p>The Plan adheres to quality standards encompassing a broad-range of care and service issues that serve as the cornerstone of the Plan's quality improvement program. The Plan's quality improvement committee meets on an ongoing basis in order to assess the quality of dental care provided to members, according to a standard meeting agenda. The program addresses the quality of the dental network and monitors compliance with credentialing requirements, utilization review, professional standards, resolution of member complaints and appeals, member satisfaction with the Plan</p>

providers, and overall compliance with the Plan's quality protocols. When joining the Plan's network of participating providers, dentists agree to provide services according to generally accepted standards of care, providing plan members with the same quality of care, attention, and appointment availability, that is customarily provided to all patients. In addition, all dentists have a contractual obligation to abide by the utilization review, utilization monitoring and quality improvement policies as published in the Plan's Dentist Guide and/or Provider Office Manual.

From time to time, the Plan identifies areas for improvement in any of the monitoring areas. As appropriate corrective measures are implemented by the Plan's peer review committee to address problems on a timely basis. The level of corrective measures taken will be dependent upon the specific issue to be addressed. Possible interventions to be taken for confirmed quality of care issues are as follows:  
Notify provider of a confirmed problem and provide written educational feedback.  
Verbal educational feedback.  
Intensification of dental record review.  
Conduct onsite audit of provider's office.  
Request continuing dental education.  
Conduct formal meeting between provider and dental members of peer review committee. Referral to state licensing board.  
Termination from network.

In the event that the peer review committee recommends the suspension or termination of a dentist's participation for reasons relating to under- and/or over-utilization, quality of care, competence or professional conduct, the dentist shall be provided a written explanation regarding the reasons for termination and the right of the dentist to request an appeal of the determination.

Prior to the effective date of the termination, but within a period not to exceed 30 days, the dentist shall be entitled to a review of the Plan's proposed termination by an advisory review panel, except in a case in which there is imminent harm to patient health or an action by a state medical or dental board, other government agency that effectively impairs the dentist's ability to practice dentistry, or in a case of fraud or

malfeasance. The advisory review panel shall be appointed by the Plan's peer review committee and shall be composed of dentists, including at least one representative in the dentist's specialty or a similar specialty. The decision of the advisory review panel must be provided to the affected dentist within 10 days of the final determination.

We also monitor quality of dentistry retrospectively through our Quality Assurance program. Members are encouraged to contact our Customer Service center if they have a question about their coverage or the services and fees charged by their dentists. All grievances about any dentists from letters or phone calls are entered into a confidential, proprietary Quality Assessment System. This permits a real-time comprehensive view of potential under- or over-utilization. Our Director of Provider Services counsels those dentists who stand out as under- or over-utilizers. Continuance of this behavior will result in the dentist being terminated from the network.

Additionally, our processing system has been loaded with the ADA's current dental terminology. Referencing this coding scheme, procedures are reviewed for accuracy by comparing the description of the service billed with the procedure code billed. Discrepancies will be researched by dental processors for proper benefit determination. The system can automatically screen for less costly and more appropriate dental care based on the planned treatment plan submitted by a provider. In addition, the Dental Utilization Table allows a set-up of dependency relationships among various procedures. The system loading scheme also checks for unbundling of procedures, as well as duplicate payments.

Moreover, claims that meet certain criteria are sent to an outside dental consultant for review. The consulting firm used is P&R Dental Strategies, Inc. located in New York. P&R Dental Strategies, Inc. provides professional review of dental claims to help determine necessity of treatment, appropriateness of treatment, potential fraud, and contractual liability. Some claims

	<p>necessitate a review that is conducted by a trained dentist. In addition, certain states require entities performing these types of review to be licensed as a utilization review agent. P&amp;R has the proper authorization to act as a utilization review agent and employs properly licensed dentists.</p>
<p>How are plan members notified when a dentist no longer is part of the plan?</p>	<p>Prepaid/DHMO: After receipt of a dentist's written notification of his/her decision to terminate, a letter is sent by the Provider Relations Department to all participants currently on the roster of the dentist who is terminating participation. The letter notifies participants that the dentist is no longer participating with the plan and the effective date of cancellation. Participants are asked to simply call Customer Service to select his/her new dental office. In some cases, members may be assigned to a new provider temporarily to assure continuity of care. No additional paperwork is required.</p> <p>PPO: We do not notify the members directly of provider terminations, however, our website located at <a href="http://www.assurantemployeebenefits.com">www.assurantemployeebenefits.com</a> is updated weekly to reflect provider additions, changes and terminations. It is the dentist's responsibility to notify patients of record if they terminate from the PPO Network. Because of this, we recommend the patient verify with the office that the dentist is a participating provider at the time of service.</p>



Thank you for selecting Sun Life Financial\* for your dental product. We are pleased to provide you with the attached dental identification cards. If you have previously received cards, please replace your current ID cards with the attached cards.

Register for Online Advantage for Members on our website at [www.sunlife.com/onlineadvantage](http://www.sunlife.com/onlineadvantage). Online Advantage for Members provides you the ability to:

- Download your ID card
- View benefit and claims information
- Find a dentist

**Go Mobile!**

Scan the code on the right (or go to [www.sunlife.com/mobileapps](http://www.sunlife.com/mobileapps)) to download our mobile app, **Benefit Tools**, to enjoy some of the same benefits as Online Advantage for Members.



If you have any questions, please call the toll-free number listed on your ID card

You always have the freedom to choose any dentists with your dental plan. When using an in-network dentist, you may save on out-of-pocket costs.

\*Insurance products are underwritten by Union Security Insurance Company (Kansas City, MO) and administered by Sun Life Assurance Company of Canada (Wellesley Hills, MA).

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Assurant © Dental Network includes dentists contracted with Dental Health Alliance, L.L.C.® (DHA®) and dentists under access arrangements with other dental networks. "Assurant Employee Benefits", the Assurant name, and related logos are trademarks of Assurant, Inc. and are used under license.

**Membership Cards**



Group ID Number  
5485058

Issued to City of Austin

MEMBER SIGNATURE

Insurance products are underwritten by Union Security Insurance Company.



Group ID Number  
5485058

Issued to City of Austin

MEMBER SIGNATURE

Insurance products are underwritten by Union Security Insurance Company.

## Assurant<sup>®</sup> Dental Network

(Includes Aetna Dental<sup>®</sup> Administrators)

To locate a dentist in your area – visit [www.aetna.com/indiaodontist](http://www.aetna.com/indiaodontist), input your Group ID and fill 669001.

**Dental Coverage:** Benefits are subject to group provisions and limitations including coordination of benefits. This card is NOT a guarantee of payment. Please call to verify benefits. If services are to exceed \$300, please submit a pre-estimate.

**For Benefit and Claim Information:** Sun Life Financial  
PO Box 2810  
Clinton, IA 52733

**Electronic Claims: Payor:** 73408  
800.442.7742

## Assurant<sup>®</sup> Dental Network

(Includes Aetna Dental<sup>®</sup> Administrators)

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**Go Mobile!**

Scan the code on the right (or go to [www.sunlife.com/mob/leapps](http://www.sunlife.com/mob/leapps)) to download our mobile app, **Benefit Tools**, to enjoy some of the same benefits as Online Advantage for Members.



If you have any questions, please call the toll-free number listed on your ID card.

\*Prepaid dental products are provided by United Dental Care of Texas, Inc., which is affiliated with Sun Life Assurance Company of Canada (Wellesley Hills, MA).

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**Remember to schedule a dental checkup for you and your family.**

## Membership Cards



Regulated by the Texas Department of Insurance as an HMO

**Group ID Number**                      **Issued to** City of Austin  
5485058

**Prepaid Plan** Heritage

MEMBER SIGNATURE



Regulated by the Texas Department of Insurance as an HMO

**Group ID Number**                      **Issued to** City of Austin  
5485058

**Prepaid Plan** Heritage

MEMBER SIGNATURE

**Dental Plan:** For eligibility information, call 800 443 2989. Refer to your Evidence of Coverage for details. Visit our website at [www.sunlife.com/india/dental](http://www.sunlife.com/india/dental)

**Vision Service Plan (VSP):** Present this card to obtain discounts from VSP providers. To locate a provider, call 800 877 7199 or visit [www.vsp.com](http://www.vsp.com).  
**This is not insurance.**

Prescribed dental products are provided by United Dental Care of Texas, Inc., which is affiliated with Sun Life Assurance Company of Canada (Wellesley Hills, MA).

**Dental Plan:** For eligibility information, call 800 443 2989. Refer to your Evidence of Coverage for details. Visit our website at [www.sunlife.com/india/dental](http://www.sunlife.com/india/dental)

**Vision Service Plan (VSP):** Present this card to obtain discounts from VSP providers. To locate a provider, call 800 877 7199 or visit [www.vsp.com](http://www.vsp.com).  
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**CITY OF AUSTIN 0615: CUSTOMER SERVICE INFORMATION  
SOLICITATION NUMBER: EAD0131**

Question	Answer
Detail role of Account Representative.	<p>The Customer Service Representatives are cross trained to handle both calls and claims. This enables us to leverage staff between multiple functions including calls and claims, which give us flexibility to better handle the peaks and valleys associated with the call center and minimize claims backlog. This staffing model allows for optimum effectiveness and efficiency.</p> <p>We respond to incoming calls by routing them to the first available, live customer service representative. All representatives are directly employed by Sun Life Financial and are located in multiple sites for disaster recovery purposes. We offer ongoing tools and resources to assist in relaying eligibility and plan information to callers.</p> <p>We have a training team that is responsible for all new hire and ongoing training. Our training program utilizes a phased approach where employees are trained on the basic call and claim skills first and, after reaching proficiency, move on to the next skill. The call training period continues for a minimum of three weeks before job placement. Each claim training period continues until 98% accuracy is achieved by the representative for a consecutive week.</p>
# of Customer Service Representatives (CSRs)?	Currently, a team of 12-15 FTE customer service representatives are dedicated to handling all cases which require higher than the block performance metrics. City of Austin is included in this group at this time.
# of CSRs that speak Spanish?	We do not currently utilize any bi-lingual skills from our customer service staff. We can accommodate service call inquiries from non-English speaking members through our Tele-Interpreters. Tele-Interpreters allow us to assist members in over 200 languages.
Target ratio of CSRs to enrolled participants?	Ratio of staff to members: Ratio of staff to members based on our “generalist” staffing model (staff floats between multiple functions including calls and claims): Approx. 1 rep to 8000 covered lives across our entire block of business.

<p>Customer Service hours? (Minimum 7:45 a.m. – 5:00 p.m.)</p>	<p>Our standard hours of operation are Monday through Thursday from 7:00am to 7:00pm CST and Friday 7:00am to 6:00pm CST.</p> <p>We also maintain an Interactive Voice Response (IVR) system for our members and providers which is available 7 days a week, 24 hours per day for eligibility and benefit information. This system may have intermittent periods of downtime for maintenance, however this generally occurs during late night hours.</p>
<p>Turnover rate for Customer Service staff in: 2014? 2015? 2016?</p>	<p>2014: 9.67% 2015: 29.7% (Sale of Company announced) 2016: 15.1%</p>
<p>Average daily # of incoming calls?</p>	<p>Approximately 4000-5000 calls per day for entire block of business</p>
<p>Average daily # of calls per CSR?</p>	<p>Average calls for cases which require higher than the block performance metrics: 60</p>
<p>Average “hold time” before a CSR is available?</p>	<p>Average for cases which require higher than the block performance metrics: 30 seconds</p>
<p>% of calls abandoned?</p>	<p>Average for cases which require higher than the block performance metrics: 3%</p>
<p>Average response time for resolving customer inquiries and/or complaints?</p>	<p>Phone inquiries and/or complaints are responded to immediately. Average review for complex/clinical reviews is 16 days for entire block of business.</p>
<p>Explain what services are available online.</p>	<p>We have both online and mobile options available for our members to obtain information:</p> <p>Online Advantage is a tool that allows immediate access to plan information. It gives members the power to view benefits and claims on their terms, at their convenience at no additional charge. Members can:</p> <ul style="list-style-type: none"> <li>· View and/or print personalized dental ID cards</li> <li>· View and/or print benefit information pages (all benefits)</li> <li>· View most recent dental visits and procedures</li> <li>· View and/or print booklets</li> <li>· View status of submitted claims</li> <li>· View your dental explanation of benefits</li> <li>· Find a dental network provider and/or specialist</li> <li>· Access our Dental Health Center to ask a question, estimate the cost of service or learn about dental issues.</li> </ul> <p>We provide online support with a friendly, dedicated team willing to assist online or by phone.</p> <p>To view a demo of our Online Advantage tool, please visit <a href="http://www.assurantemployeebenefits.com">www.assurantemployeebenefits.com</a></p> <p>In addition, our Benefit Tools App is a way for</p>

	<p>members to get benefits information on the go! Use this mobile app to quickly access:</p> <ul style="list-style-type: none"><li>· My Benefits – An overview of all member coverage details</li><li>· ID Card – Access an electronic dental ID card</li><li>· Find A Dentist – Uses member location to find a dentist nearby</li><li>· Find An Eye Doctor - Uses member location to find an eye doctor nearby</li><li>· Contact Us – Connect with us to ask questions</li><li>· Individual Dental Plans – Learn about the products we sell in a specific area</li><li>.</li></ul> <p>This secure app is available for iPhone, iPod Touch and Android.</p>
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**CITY OF AUSTIN  
ATTACHMENT 0620 BUSINESS ORGANIZATION  
SOLICITATION NUMBER: RFP EAD0131**

	Response
Name of Plan.	United Dental Care of Texas, Inc. (UDC of TX)
Name of Parent Company (if applicable)	Union Security Insurance Company (USIC)
	Sun Life Assurance Company of Canada
Location of corporate office	UDC of TX 2745 N Dallas Parkway, Suite 500 Plano, TX 75093  USIC 2323 Grand Blvd., Kansas City, MO 64108  Sun Life Assurance Company of Canada One Sun Life Executive Park, Wellesley Hills, MA 02481
Address of office servicing the contract	9600 Grant Hills Trail, 150 W, Austin, TX 78759
Legal form of organization (corporation, partnership, non-profit, etc.)	Corporation
How long has your firm provided the type of services outlined in this proposal?	We have been providing dental services in Texas since 1985. 32 years
Years of operation in Texas as a dental plan	We have been providing dental services in Texas since 1985. 32 years
Have you been the subject of litigation by a client or employer? List any litigation identified by complaint in the past five (5) years.	No.

<p>Provide a disclosure of all State and Federal regulatory actions taken against your organization in the last five (5) years. Include all settlements with federal regulators, state regulators, state insurance departments, and/or Attorney General which are currently pending or have been completed in the last five (5) years.</p>	<p>UDC of TX- None.  USIC-As with any large insurer, Union Security Insurance Company is involved with regulators and examined in the ordinary course of business. During the past 5 years, the` company entered into 3 consent orders with state regulatory bodies for minor issues associated with its dental business. These issues were immediately resolved.</p>
<p>Provide a copy of your organization's Business Continuity Plan which must include a plan between the City and your company to continue services should the City's functions and operations (e.g. designated contact, hotline to customer service for employees to use, website for employees to access, etc); cease due to an unexpected event or disaster.</p>	<p>Sun Life Financial has an established business continuity program in place that consists of a completed business impact analysis, risk analysis, business continuity plans, disaster recovery plans and testing. This program is aligned with the requirements of the Business Continuity Institute's Business Continuity Management: Good Practice Guidelines, Disaster Recovery Institute International's Professional Practices for Business Continuity Planners, ISO Standard 27002 Information Technology - Code of Practice for Information Security Management, Canadian Institute of Chartered Accountants IT Control Objectives, Information Systems Audit and Control Foundation Control Objectives for IT (COBIT), and other industry best practices, as relevant to our business, risk and IT environments.</p> <p>Key components of this program include:</p> <ul style="list-style-type: none"> <li>• an enterprise-wide policy and standards governing business continuity and disaster recovery throughout Sun Life Financial worldwide;</li> <li>• Business Impact Analysis (BIA) to identify critical/vital systems, applications, business processes, and resources;</li> <li>• disaster recovery plans and business continuity plans, based on needs identified in BIA;</li> <li>• incident &amp; crisis alert notification procedures;</li> <li>• IT problem management and escalation to disaster recovery, based on triage teams and procedures;</li> <li>• outsourced IT disaster recovery services to support off-site recovery and alternate processing locations;</li> <li>• disaster recovery and crisis management teams;</li> <li>• periodic drills and exercises to practice and test teams and verify the effectiveness of disaster recovery and</li> </ul>

business continuity plans and arrangements;

- post-event/exercise review to identify lessons learned to improve our preparedness for disasters and crises; and
- preparedness/readiness metrics, monitoring, and periodic reporting.

Furthermore, Sun Life Financial has entered into a contract with an external vendor that provides alternate recovery sites enabled with network connectivity for mainframe and client server environments as well as telecommunication services. Sun Life Financial conducts disaster recovery testing on an annual basis at the recovery sites.

Sun Life Financial's main office in the US has an Uninterrupted Power Supply (UPS) along with generator backup that has been designed and engineered for use as alternate power supply which is activated automatically in the event of a power failure. The generator provides power to the main building, provides uninterrupted services of the data center and ensures continuance of critical business processing.

In the event of either a disruption to business or a disaster is encountered at Sun Life Financial, the following contingency plans would be invoked:

- Short term outage recovery plans for isolated incidents, such as sprinkler failure, power outage, snow storm, etc. assumes the data center has not been damaged and consists of powering up the generator and relocating critical business processing to designated areas within Sun Life Financial's main building.
- Long term outage recovery plans assume buildings are inaccessible and damage has occurred within the data center, requiring critical business processing to relocate to alternate recovery sites for network and telecommunications services.

Each aspect of the program is delivered by Sun Life Financial staff or outsourced service providers, as appropriate. Where outsourced service providers deliver aspects of the program, rigorous contracts and Service Level Agreements are in place to govern service delivery.

	<p>Our program is regularly audited by both Sun Life Financial's internal auditors and external auditors.</p> <p>We do not release copies of our emergency planning documentation.</p>
Has your company ever failed to complete any work awarded to you? If so, where and why?	No.

Attachment 0620: Business Organization

Page 1 of 2

**CITY OF AUSTIN**  
**ATTACHMENT 0620 BUSINESS ORGANIZATION**  
**SOLICITATION NUMBER: RFP EAD0131**

Has your firm ever been terminated from a contract? If so, where and why?	Our firm has not been terminated from a contract due to failure to meet the contract requirements.	
Provide a copy of all required applicable State of Texas licenses	Refer to the attached UDC of TX and USIC Certificate of Authority.	
Number of total covered lives in:	Prepaid/ DHMO Nationwide	Prepaid/DHMO Austin/Central Texas
2014	397,168	4,345
2015	377,806	3,766
2016	301,720	6,580
	PPO	PPO
	1,109,539	15,544
	1,188,505	15,555
	1,191,755	20,269
Number of participating employer groups in 2017:	Prepaid/DHMO Nationwide	Prepaid/DHMO Austin/Central Texas
	3,844	30
	PPO	PPO
	2,379	16

Attachment 0620: Business Organization

Page 2 of 2

# Texas Department of Insurance



Certificate No. 14709

Company No. 28-005857

## Certificate of Authority

THIS IS TO CERTIFY THAT

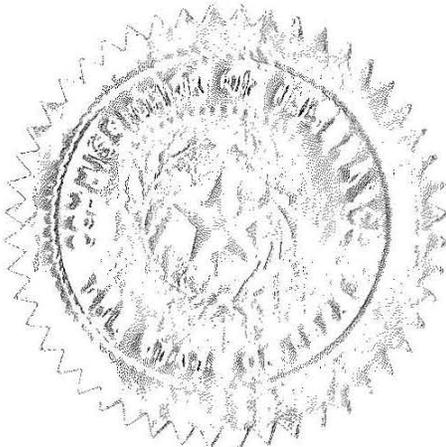
UNITED DENTAL CARE OF TEXAS, INC.

PLANO, TEXAS

has complied with the laws of the State of Texas applicable thereto and is hereby authorized to transact the business as a

Health Maintenance Organization  
Offering A Single Health Care Service Plan

within the state of Texas. This Certificate of Authority shall be in full force and effect until it is revoked, canceled or suspended according to law.



IN TESTIMONY WHEREOF, witness my hand and seal of office at Austin, Texas, this

4th day of December A.D. 2008

MIKE GEESLIN  
COMMISSIONER OF INSURANCE

BY

A handwritten signature in cursive script, appearing to read "Godwin Ohaechesi".

Godwin Ohaechesi, Director  
Company Licensing & Registration

No. 08-0997

OFFICIAL ORDER  
of the  
COMMISSIONER OF INSURANCE  
of the  
STATE OF TEXAS  
AUSTIN, TEXAS

Date: DEC 04 2008

Subject Considered:

UNITED DENTAL CARE OF TEXAS, INC.  
Addison, Texas  
TDI No. 28-05857

AMENDED CERTIFICATE OF AUTHORITY

General remarks and official action taken:

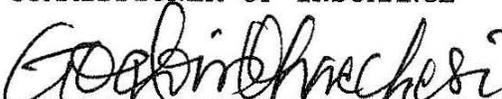
On this day the Commissioner of Insurance considered the application of UNITED DENTAL CARE OF TEXAS, INC., Addison, Texas, for an amended Certificate of Authority changing its home office from Addison, Texas to Plano, Texas.

Based upon the documents submitted and the representations made by UNITED DENTAL CARE OF TEXAS, INC., it has been shown to the Commissioner of Insurance that UNITED DENTAL CARE OF TEXAS, INC. has complied with 28 TEX. ADMIN. CODE § 11.301(4)(H), for an amended Certificate of Authority to change its home office to Plano, Texas.

THEREFORE, the Commissioner of Insurance ORDERS that Certificate of Authority No. 14069, dated April 20, 2006, issued to UNITED DENTAL CARE OF TEXAS, INC., Addison, Texas, should be, and is hereby canceled, and that an amended Certificate of Authority be issued concurrently to UNITED DENTAL CARE OF TEXAS, INC., Plano, Texas.

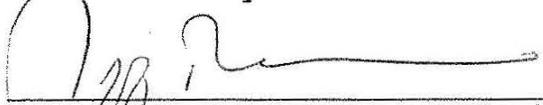
MIKE GEESLIN  
COMMISSIONER OF INSURANCE

BY:



Godwin Ohaechesi, Director  
Company Licensing & Registration  
Order 07-0989

Recommended by:



Jeff Byington, Insurance Specialist  
Company Licensing & Registration

Reviewed by:



Douglas P. Roberts, Staff Attorney  
Financial Counsel Section  
Legal Services Division

# Texas Department of Insurance



Sircon Co. No. 1215

License No. 90700

## Certificate of Authority

THIS IS TO CERTIFY THAT

UNION SECURITY INSURANCE COMPANY  
(a Foreign Stock Life, Accident and/or Health company)

LENEXA, KANSAS

has complied with the laws of the State of Texas applicable thereto and is hereby authorized to transact the business of

Life; Accident; Health;  
Variable Annuity and Variable Life

insurance within the state of Texas. This Certificate of Authority shall be in full force and effect until it is revoked, canceled or suspended according to law.

IN TESTIMONY WHEREOF, witness my hand and seal of  
office at Austin, Texas, this

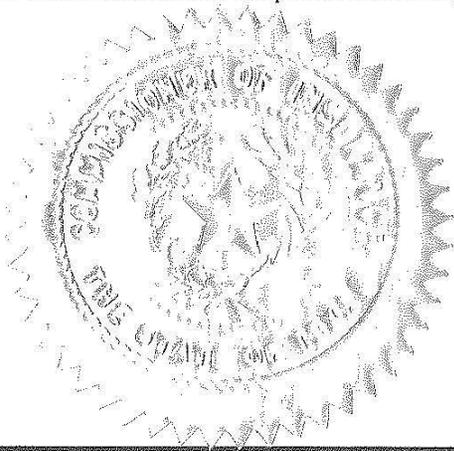
16th day of April A.D. 2013

ELEANOR KITZMAN  
COMMISSIONER OF INSURANCE

BY

A handwritten signature in black ink, appearing to read "Godwin Ohaechesi", written over a horizontal line.

Godwin Ohaechesi, Director  
Company Licensing & Registration  
Commissioner's Order No. 12-0052



**CITY OF AUSTIN  
0625: PERFORMANCE MEASURES  
SOLICITATION NUMBER: RFP EAD0131**

	<b>PERFORMANCE MEASURE</b>	<b>ACCEPTABLE PERFORMANCE</b>	<b>LIQUIDATED DAMAGES</b>	<b>AGREE YES/NO</b>
1.	<p>City's satisfaction with implementation. Includes Customer Service line operational prior to the beginning of Open Enrollment.</p> <p>Poor implementation may result in claims not being processed timely and correctly effective January 1.</p>	The Contractor will be fully operational as of 12:01 a.m., January 2, 2018	2% of the total annual contract amount. The Contractor's failure to meet this measure shall result in the Contractor's payment to the City.	<b>Yes- We will be operational, including ability to verify eligibility, verify benefits, and process claims, as of 12:01 am on January 1, 2018 contingent upon the receipt of complete group and covered persons' information being received by November 27, 2017.</b>
2.	<p>Accurate ID Cards shall be mailed and received at members' homes no later than December 31<sup>st</sup> of each year if new enrollees.</p> <p>Members expect cards with group and individual ID number prior to accessing benefits through providers.</p>	98%	1% of the total annual contract amount.  The Contractor's failure to meet this measure shall result in the Contractor's payment to the City.	<b>Yes- Contingent upon the receipt of complete group and covered persons' information being received by November 27, 2017. ID cards have the Group ID number, Plan name, Group name and a place for the covered persons' signature. We do not include Social Security number</b>

				or subscriber identifier on the ID cards.
3.	90% of all clean claims processed within 10 business days and 100% of claims be processed within 20 business days of receipt.		1% of the total annual contract amount.	<b>Yes- Prepaid plan is member co-pay driven and typically has few claim submissions. Generally, we receive only emergency and out of network claims in accordance with the Plan parameters.</b>
4.	Contractor staff shall be at all Open Enrollment and other requested presentations.  If Contractor is not at meetings City staff has to present the retiree dental plan.	100%	1% of the total annual contract amount.  The Contractor's failure to meet this measure shall result in the Contractor's payment to the City.	<b>Yes</b>
5.	Employee Benefits staff satisfaction survey  Employee Benefits staff assist with employee, retiree, and dependent, customer service and claims. If claims are not processed timely and accurately Benefits staff will spend time assisting with claims.  Payments paid out quarterly.	Average or above	2% of total annual contract amount quarter. If the Client Satisfaction Survey result ratings are "poor" or "unacceptable" and therefore fail to meet this measure, it will result in the Contractor's payment to the City.	<b>Yes</b>



**CITY OF AUSTIN  
PURCHASING OFFICE EXCEPTIONS**

**Solicitation Number:** RFP EAD0131

The City will presume that the Offeror is in agreement with all sections of the solicitation unless the Offeror takes specific exception as indicated below. Complete the exception information indicating each exception taken, provide alternative language, and justify the alternative language. Copies of this form may be utilized if additional pages are needed.

Proposers who comply with or who are most responsive to accepting the City's Standard Purchasing Terms and Conditions and Commercial and Legal Contract Requirements will receive consideration for evaluations from the City's evaluation team in determining points awarded for meeting criteria outlined in in Section 0600 Proposal Preparation Instructions Evaluation Factors. Failure to agree to the standard contract terms may result in the City choosing to move forward with an award of a contract to the next best Offeror.

The City, at its sole discretion, may negotiate exceptions that do not result in material deviations from the sections contained in the solicitation documents. Material deviations as determined by the City may result in the City deeming the Offer non-responsive. The Offeror that is awarded the contract shall be required to sign the contract with the provisions accepted or negotiated.

**Indicate:**

- 0300 Standard Purchase Terms & Conditions**
- 0400 Supplemental Purchase Provisions**
- 0500 Scope of Work**
- 0608 Provider Network Form**
- 0615 Customer Service Form**
- 0620 Business Organization Form**
- 0625 Performance Measures Form**
- 0640 HIPPA Business Associate Agreement**

<b>Page Number</b>	<b>Section Number</b>	<b>Section Description</b>
1-2	0400	Specific Insurance Requirements

**Alternative Language:** Refer to the attached Insurance Requirements document that includes our modifications.

<b>Page Number</b>	<b>Section Number</b>	<b>Section Description</b>
5	0400	Interlocal Purchasing Agreements

**Alternative Language:** Dental plans quoted cannot be offered through the Interlocal Purchasing Agreements.

<b>Page Number</b>	<b>Section Number</b>	<b>Section Description</b>
1-5	0500	Scope of Work

**Alternative language:** Refer to the attached Scope of Work document that includes responses to the requirements.

<b>Page Number</b>	<b>Section Number</b>	<b>Section Description</b>
All	0640	HIPPA BAA

**Alternative language:** Refer to the attached response to this section.

**CITY OF AUSTIN  
SCOPE OF WORK  
RETIREE DENTAL PROGRAM**

**4.5 Program Coverage Requirements:**

**4.5.1 Plan Design**

4.5.1.1 PPO/Indemnity Proposer shall provide a plan with a \$50 annual deductible and \$1,000 annual plan maximum per individual as outlined in the 2017 Benefits Enrollment Guide for Retirees and Surviving Dependents. Additional plan design options may also be included.

**Agree**

4.5.1.2 DMO/Pre-Paid Proposer shall provide a plan similar to the current plan design outlined in the 2017 Benefits enrollment Guide for Retirees and Surviving Dependents.

**Agree**

4.5.1.3 The Contractor shall provide a detailed summary plan description complete with a description of the scope of benefits, coinsurance or copayments, exclusions and limitations for each plan proposed.

**Agree**

**4.5.2 Provider Network**

4.5.2.1 The Contractor shall have providers in the Austin and surrounding areas for the following counties, is Bastrop, Blanco, Burnett, Caldwell, Hays, Travis, and Williamson.

**Agree**

4.5.2.2 The Contractor shall have a direct relationship with Providers in its network, and may not lease, borrow, or otherwise obtain use of a provider panel from another company.

**Agree**

**4.5.3 Identification Cards**

4.5.3.1 The Contractor shall issue ID cards and mail them to Covered Person's home addresses within 60 days of contract execution.

**Agree**

4.5.3.2 ID cards shall have an identification number other than a social security number.

**ID cards mailed to the members' home will have the Group ID number, Plan name, Group name and a place for the covered persons' signature.**

**Members may print an ID cards that includes the unique ID number from our web tool, Online Advantage.**

**CITY OF AUSTIN  
SCOPE OF WORK  
RETIREE DENTAL PROGRAM**

**4.6 Significant Event Requirement:** The Contractor shall notify the City within 24 hours or less of any current or prospective significant event. As used in this provision, a “significant event” is any occurrence or anticipated occurrence which might reasonably be expected to have a material effect upon the Contractor’s ability to meet its contractual obligations to the City. Significant events may include, but are not limited to, the following:

4.6.1 Disposal of major assets.

4.6.2 Any major computer software conversion, enhancement or modification to the operating systems, security systems, and application software, used in the performance of this contract.

4.6.3 Termination or addition of large provider contracts.

4.6.4 Strikes, slow-downs or substantial impairment of the organization’s facilities or of other facilities used by the organization in the performance of this contract.

4.6.5 Impairment of security.

4.6.6 Reorganization, reduction and/or relocation in key personnel such as, but not limited to, client team, customer service representatives or claims adjusters.

4.6.7 Known or anticipated merger or acquisition.

**Agree**

**4.7 Effective Dates and Termination Dates of Coverage Requirements:**

4.7.1 The City determines effective and termination dates of Covered Persons.

**Agree**

4.7.2 The Group Policy’s effective date is January 1, 2018.

**Agree**

4.7.3 When adding coverage during open enrollment coverage is effective January 1.

**Agree**

4.7.4 Coverage is terminated 12:00 midnight January 1 when terminated during annual open enrollment.

**Agree**

4.7.5 Dependents who lose eligibility are covered through the end of the month they lose eligibility.

**Agree**

**CITY OF AUSTIN  
SCOPE OF WORK  
RETIREE DENTAL PROGRAM**

**4.8 Eligibility Requirements:**

- 4.8.1 Contractor cannot impose any minimum enrollment requirements.  
**Agree**
- 4.8.2 Contractor shall agree to abide by the City's eligibility and effective dates for all Covered Persons. (Refer to 2017 Benefits Enrollment Guide for Retirees and Surviving Dependents).  
**Partially Agree- The Group Dental Service Agreement (refer to Exhibit 6f-for sample GDSA) does not match all referenced points of the Attachment III. For example, dependent grandchildren, the DMO plan does not specify that grandchildren must be the insured's dependent for Federal Income Tax purposes. However, the GDSA eligibility section states that the Group shall determine eligibility for participation in the plan.**
- 4.8.3 Contractor shall agree to use the City's enrollment forms.  
**Agree**
- 4.8.4 Contractor shall be able to accept enrollment information electronically in the most recent layout format required by HIPAA, currently an 834 file.  
**Agree**
- 4.8.5 The City determines eligibility.  
**Agree**
- 4.8.6 The Contractor shall maintain eligibility and claim records/history on each Covered Person according to industry standards.  
**Agree**
- 4.8.7 The Contractor shall accept Covered Person's Social Security Number.  
**Agree**
- 4.8.8 The Contractor shall be able to assign an identifier other than the Covered Person's Social Security Number.  
**Agree**

**4.9 Transition and Implementation Timeline Requirements:**

- 4.9.1 Within 30 days of contract award, the Contractor shall meet with the City to finalize the plan design, administrative procedures, and expectations.  
**Agree**

**CITY OF AUSTIN  
SCOPE OF WORK  
RETIREE DENTAL PROGRAM**

- 4.9.2 Certificates of coverage shall be finalized prior to September 1, 2017.  
**Agree**
- 4.9.3 Contractor shall provide training and education sessions for appropriate City staff (approximately 10 employees) concerning all facets of program administration.  
**Agree**
- 4.9.4 Contractor shall prepare for and attend all onsite City of Austin employer requested meetings and presentations during business hours. This includes approximately four presentations during the annual Open Enrollment period. Open Enrollment occurs mid-October through mid-November of each year.  
**Agree**
- 4.9.5 Contractor shall prepare and deliver approximately 6,800 copies of Open Enrollment materials, as specified by the City, by the end of the first week in September. The City prefers that the enrollment materials be printed on recycled paper in accordance with EPA guidelines (reference Section 0400 Supplemental Purchase Provision – Item 5, Recycled Products).  
**Agree**
- 4.9.6 Customer Service line shall be operational during regular business hours three (3) days prior to the beginning date of Open Enrollment.  
**Agree- The ability to verify coverage will be contingent upon eligibility being entered into our system prior to the beginning date of Open Enrollment.**
- 4.9.7 Open Enrollment eligibility files shall be loaded on the Contractor's system by the first Monday in December each year.  
**Agree- This is contingent upon receipt of complete group and covered persons' information being received by November 27, 2017.**
- 4.9.8 Contractor shall be fully operational, including ability to verify eligibility, verify benefits, and process claims, as of 12:01 a.m. on January 1, 2018.  
**Agree- We will be operational, including ability to verify eligibility, verify benefits, and process claims, as of 12:01 am on January 1, 2012, contingent upon receipt of complete group and covered persons' information being received by November 27, 2017.**

**CITY OF AUSTIN  
SCOPE OF WORK  
RETIREE DENTAL PROGRAM**

- 4.9.9 Should the City extend the contract for renewal periods, the Contractor shall meet the same timeline requirements for each succeeding renewal period as previously listed.  
**Agree**

**4.10 Customer Service Requirements:**

- 4.10.1 The Contractor's customer service shall include, at a minimum: verification of eligibility and benefits; claim inquiries; problem resolution; education of the plan; and provider information.

**Agree**

- 4.10.2 The Contractor shall provide web access that at a minimum allows Covered Persons to access participating providers.

**Agree**

- 4.10.3 The City requires customer inquiries or complaints to be resolved within one to two working days from when the complaint is received.

**Agree**

- 4.10.4 The Contractor shall have a toll free number available for Covered Persons.

**Agree**

- 4.10.5 The Contractor shall have a primary contact for City of Austin Employee Benefit staff.

**Agree**

- 4.10.6 The Contractor shall have a TTY telephone line available for the hearing impaired.

**Most hearing impaired members already utilize a relay service that handles text to speech translation when calling our benefit centers. When one of our CSR's returns a call to a hearing impaired member, we use a service provided by AT&T Relay Service to provide our response back to the member. Customers may also access information from Online Advantage. Online Advantage is a web tool for members, employers, and providers.**

- 4.10.7 Contractor shall meet quarterly with the City Employee Benefits staff.

**Agree**

**CITY OF AUSTIN  
SCOPE OF WORK  
RETIREE DENTAL PROGRAM**

4.10.8 All materials and communications have to be approved by City staff prior to distribution and formatted in easy to understand language.

**Agree**

4.10.9 Contractor shall send Covered Person's Explanation of Benefits, and duplicate Explanation of Benefits, if requested by Covered Persons and all other communications (at no additional charge). This includes new enrollees throughout the plan year. All pricing including postage shall be included in the Contractor's rates.

**Agree**

**4.11 Reporting Requirements:**

4.11.1 PPO/Indemnity Contractor shall provide quarterly and year-end reports.

**Agree**

4.11.2 Quarterly reports are due on the 15<sup>th</sup> day of the month following the last day of the time period for which the reported.

**Agree**

4.11.3 Annual reports are due no later than March 10<sup>th</sup> of the following year. i.e. 2017 annual report will be due March 10, 2018. The reports shall include Performance Measure Metrics listed in Section 0625.

**Agree**

4.11.4 At a minimum, the reports should include utilization showing type of service enrollment showing Subscribers, Dependents and total lives.

**Agree**

**4.12 Federal, State and Local Law and related Requirements:**

4.12.1 The Contractor shall administer the plan in strict compliance with federal, state and local laws.

**Agree**

4.12.2 City of Austin policies and procedures will govern over the Contractor's administrative procedures.

**Agree**

4.12.3 The Contractor shall notify the City of changes in law, regulations, or other requirements which affect coverage offered by the City within 30 days of enactment.

**Agree**

**CITY OF AUSTIN  
SCOPE OF WORK  
RETIREE DENTAL PROGRAM**

4.12.4 The Contractor shall provide assurance of its compliance with HIPAA rules and regulations and shall comply with the City's Business Associate Agreement.

**Union Security Insurance Company and United Dental Care of Texas, Inc. are covered entities under HIPAA for their dental insurance plans. As such, we are required to comply with all HIPAA privacy and security laws and accompanying regulations. We are not considered a business associate when the coverage being provided is fully-insured. Operating as a covered entity requires that we only disclose information for the purposes of treatment, payment or healthcare operations, unless we receive a valid authorization or certification from the employer/plan sponsor.**

**4.13 Rates and Premium Requirements**

4.13.1 The Contractor shall guarantee rates for the initial thirty-six (36)-month period regardless of actual enrollment.

**Prepaid- Agree**

**PPO- Rates are guaranteed for 24 months.**

4.12.2 The Contractor shall provide guaranteed rates or maximum percentage rate caps for the extension option periods regardless of actual enrollment.

**Prepaid-Agree**

**PPO-Rates are guaranteed for 24 months.**

4.12.3 Maximum Percentage Rate Caps. In order for the City to prepare future budgets, preliminary rates shall be completed and submitted to the City by February 15<sup>th</sup> of each year for the following plan year. Final rates for the following plan year must be submitted no later than March 15<sup>th</sup> of each year (i.e. final rates for 2019 submitted by March 15, 2018).

**Agree- Prepaid**

**PPO- We are not including rate caps.**

4.12.4 The Contractor agrees that all costs for requirements of the contract will be included as part of the Contractor's basic premium; and inclusive of labor, materials, supplies, printing, travel and all costs and fees including administrative burden for providing retiree dental coverage.

**Agree**

4.12.5 The Contractor will not change benefits or rates for the term of this contract without prior City approval. Any changes recommended for any renewal period must be approved and agreed upon in advance and in writing by the City.

**Agree**

**CITY OF AUSTIN  
SCOPE OF WORK  
RETIREE DENTAL PROGRAM**

4.12.6 The City will calculate monthly premiums for coverage. The City's determination of eligible Covered Persons for which payment will be made, will be based on coverage the 1<sup>st</sup> of each month.

**Agree**

4.12.7 The City's payment will be made by check no later than the last day of the following month for which payment is being made. The City's payment will be considered made on the payment postmark date.

**Agree**

Section 0400 Supplemental Purchasing Provisions

1. **INSURANCE:** Insurance is required for this solicitation.
  - A. **General Requirements:** See Section 0300, Standard Purchase Terms and Conditions, paragraph 32, entitled Insurance, for general insurance requirements.
    - i. The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to contract execution and within 14 calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award
    - ii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
    - iii. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.
    - iv. The Certificate of Insurance, and updates, shall be mailed to the following address:

City of Austin Purchasing Office  
P. O. Box 1088  
Austin, Texas 78767

- B. **Specific Coverage Requirements:** The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.
  - i. **Worker's Compensation and Employers' Liability Insurance:** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee.
    - (1) The Contractor's policy shall apply to the State of Texas and include these endorsements in favor of the City of Austin:
      - (a) Waiver of Subrogation, Form WC420304, or equivalent coverage
      - (b) Thirty (30) days Notice of Cancellation, Form WC420601, or equivalent coverage
  - ii. **Commercial General Liability Insurance:** The minimum bodily injury and property damage per occurrence are \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injury).
    - (1) The policy shall contain the following provisions:
      - (a) Contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.
      - (b) Contractor/Subcontracted Work.
      - (c) Products/Completed Operations Liability for the duration of the warranty period.
      - (d) If the project involves digging or drilling provisions must be included that provide Explosion, Collapse, and/or Underground Coverage.

Section 0400 Supplemental Purchasing Provisions

- (2) The policy shall also include these endorsements in favor of the City of Austin:
  - (a) Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage
  - (b) Thirty (30) days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage
  - (c) The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage
- iii. **Business Automobile Liability Insurance:**

The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident.

  - (1) The policy shall include these endorsements in favor of the City of Austin:
    - (a) Waiver of Subrogation, Endorsement CA0444, or equivalent coverage
    - (b) Thirty (30) days Notice of Cancellation, Endorsement CA0244, or equivalent coverage
    - (c) The City of Austin listed as an additional insured, Endorsement CA2048, or equivalent coverage.

**Not applicable- As we have no cars to insure. Non-owned vehicles will be covered under Commercial Liability.**

- iv. ~~**Professional Liability Insurance:** The Contractor shall provide coverage, at a minimum limit of \$1,000,000 per claim, to pay on behalf of the assured all sums which the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission arising out of the performance of professional services under this Agreement.~~

**We are self-insured for Professional Liability Insurance.**

If coverage is written on a claims-made basis, the retroactive date shall be prior to or coincident with the date of the Contract and the certificate of insurance shall state that the coverage is claims-made and indicate the retroactive date. This coverage shall be continuous and will be provided for 24 months following the completion of the contract.

- C. **Endorsements:** The specific insurance coverage endorsements specified above, or their equivalents must be provided. In the event that endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.



## LETTER OF SELF-INSURANCE

CERTIFICATE NO.: **2017-011**

DATE OF ISSUE: **13 April 2017**

**CERTIFICATE HOLDER:**

**City of Austin  
Purchasing Office  
P.O. Box 1088  
Austin, TX 78767**

**NAMED INSURED AND ADDRESS:**

**Sun Life Financial Inc.  
2475 N. Dallas Parkway, Ste 500  
Plano, TX 75093**

**THIS CERTIFICATE IS ISSUED REGARDING:**

**Evidence of Insurance  
RFP SEAD0131 – City of Austin – Retiree Dental**

**TYPE OF SELF-INSURANCE: PROFESSIONAL LIABILITY/ERRORS & OMISSIONS LIABILITY**

This certifies that Sun Life Financial Inc., Sun Life Assurance Company of Canada self-insures the peril of Professional Liability /Errors & Omissions Liability and in the event of a claim would act as a prudent uninsured and pay on behalf of any insured person, all sums the Insured Persons shall become legally obligated to pay by reason of any act, error or omission in the execution of this contract.

This letter is issued as a matter of information purposes only and confers no rights upon the Certificate Holder named above other than the matter for which this letter is issued in compliance.

**CERTIFIED BY:**

**Sun Life Financial Inc.  
Sun Life Financial Tower  
150 King Street West  
Toronto, Ontario M5H 1J9  
CANADA**

**BY:**

A handwritten signature in black ink that reads "Bruce Taineh".

**Bruce Taineh  
Director, Insurance & Risk Management**

**United Dental Care of Texas, Inc.  
Administrative Office  
3595 Grandview Parkway  
Suite 650  
Birmingham, AL 35243  
800.443.2995**

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**GROUP DENTAL SERVICE AGREEMENT**

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**NOTICE**

The HMO Plan is underwritten by United Dental Care of Texas, Inc. Benefits provided under the HMO Plan are available to enrollees by using in-network providers only, except for emergency dental care (or, if Group purchases the Specialty Benefit, certain services of specialty dentists). Costs for dental services are based on a fixed copayment schedule. An Indemnity Dental Plan, also available, is underwritten by Union Security Insurance Company. Benefits provided under the Indemnity Plan are available to enrollees who may use any provider. Costs for dental services incurred are reimbursed after the deductible and coinsurance amounts, as specified in the policy, are met.

It is agreed between \_\_\_\_\_ ("Group") and United Dental Care of Texas, Inc. ("Company") as follows:

**ARTICLE I  
COVERAGE INFORMATION**

1.1 **Group:**

Name:

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

1.2 **Group Coverage Basis:**

Contributory                       Non-Contributory

1.3 **Class of Members to be Covered:**

Active                                       Retired

1.4 **Form of Coverage (choose one):**

Group requests coverage under the Secure Plan with the Specialty Benefit (SB).

Group requests coverage under the Secure Plan without the Specialty Benefit (SB).

1.5 **Total Group Prepayment Fee:** The Total Group Prepayment Fee is obtained by multiplying the number of Subscribers in each Fee Category by the Prepayment Fee for that category and adding the results. It is due and payable from Group as set out in this Agreement.

Fee Category	Plan Fee	+	Specialty Benefit Fee	=	Monthly Prepayment Fee
Subscriber	\$ _____		\$ _____		\$ _____
Subscriber + One	\$ _____		\$ _____		\$ _____
Subscriber + Family	\$ _____		\$ _____		\$ _____

1.6 **Group Administration Fee:**

Not Applicable       Applicable: A group Administration Fee of \$0.00 for the initial month and \$0.00 for each subsequent month is due and payable from Group with the Total Group Prepayment Fee.

1.7 **Initial Fee Guarantee Period:** Company will not change the Prepayment Fee for any Fee Category, or the applicability and amount of any Administration Fee, for the first 24 months during which Agreement is in effect (or for the entire period during which Agreement is in effect, if that is a shorter period).

1.8 **Effective Date, Initial Plan Year, Anniversary Date:** This Agreement becomes effective on the first day of June, 2006 ("Effective Date"). Agreement's initial Plan Year begins on the Effective Date and lasts for a period of 12 months, unless terminated before the end of that period by Company or Group. Agreement may be renewed pursuant to the renewal provisions of Agreement unless first terminated by Company or Group. If Agreement is renewed, Agreement's first Anniversary Date is the first day of June, 2007, with subsequent Anniversary Dates on the first day of June in each succeeding calendar year.

**ARTICLE II  
ENTIRE CONTRACT**

2.1 **Entire Contract:** The Group Dental Service Agreement, Evidence of Coverage, Copayment Schedule and any applicable exhibits or amendments, hereinafter called "Agreement," form the entire agreement of the parties. This Agreement may be amended or modified. Changes must be in writing executed by Group and an authorized officer of Company.

**ARTICLE III  
DEFINITIONS**

The following terms shall be defined as follows:

- 3.1 **Administration Fee:** The Group's Administration Fee (if applicable) is the fee paid by Group in addition to the Total Group Prepayment Fee.
- 3.2 **Anniversary Date:** The first Anniversary Date is the day after the initial Plan Year ends. The Anniversary Date occurs on the same date in each subsequent calendar year.
- 3.3 **Copayment:** Shall mean a per-service fee charged to Member by Plan Provider as identified in the Copayment Schedule.
- 3.4 **Dental Emergency:** A dental condition of recent onset and severity accompanied by excessive bleeding, severe pain, or acute infection that would lead a prudent layperson possessing an average knowledge of dentistry to believe that immediate care is needed.

- 3.5 **Dependent:** Subscriber's spouse and Subscriber's natural children from and after moment of birth, adopted children from date of placement (or from the date Subscriber becomes a party in a suit in which the adoption of the child by Subscriber is sought, if that is earlier), grandchildren, children for whom Subscriber has a temporary or permanent court order granting conservatorship or guardianship, children for whom Subscriber is required to provide coverage by a medical-support court order, stepchildren and foster children. To be eligible, all such children must be under age twenty-five (25) years (the "Limiting Age") and unmarried. To be eligible, stepchildren and foster children must also be chiefly dependent on Subscriber for maintenance and support. Eligibility may be extended past the Limiting Age for unmarried children who are not capable of self-sustaining employment due to a disability or physical handicap and are chiefly dependent on Subscriber for maintenance and support. If Company requests proof of a Dependent's eligibility, Subscriber must furnish proof within 31 days of Company's request. Company will not require proof of a Dependent's continuing eligibility more than once a year.
- 3.6 **Effective Date:** The date coverage begins under Agreement.
- 3.7 **Emergency Services:** Those procedures administered in a dentist's office, dental clinic, or other comparable facility to evaluate and stabilize a dental condition that is a Dental Emergency.
- 3.8 **Enrollment Form:** Shall mean the Group Enrollment Form.
- 3.9 **Fee Categories:** Member classifications used to determine the applicable Prepayment Fee for each Member's coverage under Agreement.
- 3.10 **Initial Fee Guarantee Period:** The period of time beginning on the Effective Date during which the Company agrees not to change the Prepayment Fee charged for any Fee Category, or the applicability or amount of any Administration Fee.
- 3.11 **Member:** Shall mean a Subscriber or Dependent who is enrolled in Plan.
- 3.12 **Non-Plan Dentist:** A general dentist who is not a Plan Dentist.
- 3.13 **Non-Plan Provider:** A Non-Plan Dentist or a Non-Plan Specialty Dentist, or a hygienist or technician acting with or assisting such a dentist.
- 3.14 **Non-Plan Specialty Dentist:** A dentist practicing in a dental specialty who is not a Plan Specialty Dentist.
- 3.15 **Plan Benefits:** Shall mean benefits for services provided under Agreement, subject to any limitations and exclusions.
- 3.16 **Plan Dentist:** Shall mean a licensed General Dentist who, at time Plan Benefits are provided, is under contract with Company to provide certain dental services to Members. Copayments listed in the **PLAN DENTIST SERVICES** Section of the Copayment Schedule apply only to Plan Dentists who perform the corresponding services listed in the Copayment Schedule. The Plan Dentist selected by Member may not perform all listed services. In order to fully understand payment responsibility for dental services, Member should discuss availability of services and the proposed treatment and its cost with selected Plan Dentist prior to receiving treatment.

3.17 **Plan Provider:** Shall mean a Plan Dentist or Plan Specialty Dentist who, at time Plan Benefits are provided, is under contract with Company to provide services to Members. The term shall include any hygienists and technicians recognized by the dental profession who act with and assist Plan Dentist or Plan Specialty Dentist. A list of Plan Providers shall be published in Plan Dentist Directory. Company has sole discretion to determine which providers may be Plan Providers. Plan Providers are independent contractors in private practice and are neither employees nor agents of Company. Company cannot guarantee that any specific provider will be a Plan Provider. The status of providers as Plan Providers is subject to change.

3.18 **Plan Specialty Dentist:** Shall mean a licensed dentist practicing in a dental specialty who, at time Plan Benefits are provided, is under contract with Company to provide dental specialty services to Members. Some examples of dental specialties are endodontics, periodontics, oral surgery, orthodontics and pedodontics. If Group purchases the Specialty Benefit, each Plan Specialty Dentist will participate in only one of the following two categories:

**Non-Specialty-Benefit Plan Specialty Dentist (or Non-SB Plan Specialty Dentist)** – offers any dental specialty service he provides to Members at a specific reduction from his normal retail charge.

**Specialty Benefit Plan Specialty Dentist (or SB Plan Specialty Dentist)** – offers certain dental specialty services he provides to Members for specified Copayments (services and Copayments listed in the **SPECIALTY DENTIST SERVICES** Section of the Copayment Schedule) and offers all other dental specialty services he provides to Members at a specific reduction from his normal retail charge.

In order to fully understand payment responsibility for dental specialty services, Member should discuss the proposed treatment and its cost with Plan Specialty Dentist prior to receiving treatment. Availability of specific types of specialty services from Plan Specialty Dentists (or SB or Non-SB Plan Specialty Dentists) depends on which types of dentists are Plan Specialty Dentists. Company cannot guarantee that of any specific type of dentist will be a Plan Specialty Dentist (or an SB or Non-SB Plan Specialty Dentist). Types of dentists who are Plan Specialty Dentists (or SB or Non-SB Plan Specialty Dentists) may vary from time to time in different parts of the Service Area. If Group purchases the Specialty Benefit, the Copayments listed in the **SPECIALTY DENTIST SERVICES** Section of the Copayment Schedule apply only to SB Plan Specialty Dentists who perform the corresponding services listed in the Copayment Schedule. The SB Plan Specialty Dentist selected by Member may not perform all listed services.

3.19 **Plan Year:** The initial Plan Year begins on the Effective Date and lasts until the day before the first Anniversary Date. Each subsequent Plan Year begins on the Anniversary Date and lasts for a period of twelve (12) calendar months.

3.20 **Prepayment Fee:** The periodic, prospectively determined rate or fee paid to Company for each Member's coverage.

3.21 **Service Area:** The geographic area where Plan Benefits are available. The extent of the Service Area is within the sole discretion and determination of Company.

3.22 **Subscriber:** Shall mean an employee, member, or beneficiary of Group who is eligible to participate in Plan under the eligibility requirements determined by Group.

3.23 **Total Group Prepayment Fee:** The sum of the Prepayment Fees for coverage of all Members.

**ARTICLE IV  
PREPAYMENT FEE, ADMINISTRATION FEE, AND ELIGIBILITY**

- 4.1 **Prepayment Fee and Administration Fee:** Group shall pay Company the Prepayment Fee for each enrolled Member. Group shall also pay Company the Administration Fee (if applicable) at the same time and in the same manner as the Prepayment Fees. The Total Group Prepayment Fee and (if applicable) Administration Fee shall be paid in a single payment. This starts on the Effective Date and continues on the first day of each month thereafter while Agreement is in force.

After the Initial Fee Guarantee Period, Company reserves the right to change any Prepayment Fee and to change the applicability and amount of any Administration Fee upon sixty (60) days written notice to Group. Payment of any amended Prepayment Fee or Administration Fee indicates acceptance of the amended Prepayment Fee or Administration Fee.

- 4.2 **Provision of Plan Benefits/Plan Providers:** Group acknowledges that unless there is a need for Emergency Services or Group purchases the Specialty Benefit, Agreement provides exclusively for services performed by a Plan Provider. Except as specifically provided in the **EMERGENCY SERVICES** Article of the Evidence of Coverage and the **SPECIALTY DENTIST SERVICES** Section of the Copayment Schedule, Company shall not have any liability due to treatment by any Non-Plan Provider. In addition, Company shall not have any liability due to treatment by any physician, hospital, other person, institution or group. Each Member shall select a Plan Dentist from Plan Dentist Directory furnished by Company to Group. Agreement provides for services only. It is not an insurance policy. It does not reimburse Member or Group, except for Emergency Services or Specialty Benefit services.

- 4.3 **Eligibility List:** Group shall be responsible for providing Company, by the 20<sup>th</sup> day of the month, the names and other identifying data for each Member to be covered in order for eligibility to be effective on the 1<sup>st</sup> day of the succeeding month. Group shall identify those Members who are newly eligible to receive Plan Benefits. Group shall name the Plan Dentist selected by each Member who is newly eligible. Group shall identify those Members whose coverage will terminate. Group shall be responsible for payment of Prepayment Fees due Company for Members. Payment shall continue until notice of a change in eligibility is provided by Group to Company.

- 4.4 **Eligibility:** Group shall determine eligibility for participation in Plan. Company may rely upon such decision until Group provides notice of a change in eligibility. Any disputes or inquiries from Members regarding eligibility, including renewal or continuation of coverage, shall be referred by Company to Group. Group shall advise Company of its decision. Each Member (except a Dependent child for whom Subscriber must provide coverage under a medical-support court order) must work or live in Plan Service Area in order to participate in Plan.

Subscriber and his Dependent(s) are eligible to become Members of Plan during the open enrollment period set by Group. If an additional Prepayment Fee is required for coverage of Subscriber's newly born natural child or Subscriber's child newly placed for adoption, and if Subscriber wishes to have the child covered as of the date of birth or placement, Group must notify Company and pay the additional Prepayment Fee within thirty-one (31) days after that date.

- 4.5 **Coverage of Members:** The Effective Date of coverage for Subscriber or Dependent shall be the first day of the month after written notice and payment of the Prepayment Fee is accepted by Company. Each Subscriber or Dependent enrolled in Plan and whose proper Prepayment Fee has been accepted by Company on or before the 20<sup>th</sup> day of a month will be covered beginning the first day of the following month. Each Subscriber or Dependent enrolled in Plan and whose proper Prepayment Fee has been accepted by Company after the 20<sup>th</sup> day, but by the last day, of the month will be covered beginning the first day of the second following month.

- 4.6 **Enrollment Forms:** Each Member shall complete an Enrollment Form or suitable proof of enrollment. All statements made by Member on the Enrollment Form or suitable proof of enrollment shall be considered representations and not warranties. A statement may not be used in a contest to void, cancel, or non-renew a Member's coverage unless a copy of the Enrollment Form or suitable proof of enrollment has been furnished to Member.

## **ARTICLE V BENEFITS**

- 5.1 **Plan Benefits:** Company shall provide benefits for dental services to Members as set forth in the Evidence of Coverage and Copayment Schedule. Services are subject to limitations and exclusions. Services are provided for the term of Agreement. Company reserves the right to change Plan Benefits after the initial Plan Year. Notice of change is subject to sixty (60) days written notice to Group.
- 5.2 **Copayments and Other Charges:** Member is responsible for payment of all Copayments, any additional laboratory fees for certain dental services as stated in the Copayment Schedule, and all charges for services that are not Plan Benefits. Member must pay dental provider at the time service is rendered. Member may have an option to pay according to provider's billing procedures.
- 5.3 **Current Dental Terminology:** Plan Benefits will be based on the most current dental terminology. From time to time, and with at least thirty (30) days written notice to Group, Company reserves the right to update Agreement to reflect the most current dental terminology.

## **ARTICLE VI MEMBER/PLAN PROVIDER RELATIONSHIP**

- 6.1 **Member/Plan Provider Relationship:** The relationship between Member and Plan Provider shall be an independent professional one. Plan Provider shall be solely responsible, without intrusion by Company or Group for all services within the professional relationship between Member and Plan Provider. Plan Provider has the right to refuse treatment, to any Member who: (1) fails to follow a prescribed course of treatment; (2) fails to keep confirmed appointments; (3) fails or refuses to make required payments (including but not limited to Copayments, laboratory fees or missed appointment fees as noted in the Copayment Schedule) or any charges for non-covered procedures; (4) uses the relationship for illegal purposes; or (5) otherwise makes the professional relationship unduly burdensome. Company has the right to refuse Plan Benefits to any Member by terminating coverage as stated in the **Member Termination** section of the **TERM AND TERMINATION** article of Agreement.
- 6.2 **Plan Provider Facilities:** The operation and maintenance of Plan Provider's facilities and equipment shall be completely under the control of Plan Provider. This includes the selection of staff, supervision of personnel and operation of the professional practice. It also includes rendition of any particular professional service or treatment.
- 6.3 **Providers Not Participating with Plan:** Company does not review practice standards of Non-Plan Providers. Members who obtain services from Non-Plan Providers should separately assess the practice standards and skills of those providers.

## ARTICLE VII ADMINISTRATION

- 7.1 **Distribution of Plan Materials and Notices to Members:** Company may be obligated under state law to give notice or Plan materials to Member. If so, it shall be sufficient for Company to give notice or Plan materials to the Group's delegate, unless state law requires otherwise. Group shall then be responsible for providing notice or Plan materials to Subscribers.
- 7.2 **Grievance Resolution Procedures:** Any inquiries, complaints or grievances shall be made by contacting Company or Plan Provider. Members should take any question or concern directly to Plan Provider rendering service to resolve the issue immediately. Grievance Resolution Procedures are outlined in the Evidence of Coverage. A copy of the procedures may be obtained by contacting Company.
- 7.3 **Selection of Provider:**
- A. **Plan Dentist:** Each Member shall select a Plan Dentist from Plan Dentist Directory. To obtain Plan Benefits, Member shall contact selected Plan Dentist. Either Member or Plan Dentist may request a change of Plan Provider selection by contacting Company.
- B. **Plan Specialty Dentist:**
- Without Specialty Benefit:** If Member requires specialty services covered under Plan that cannot be provided by Member's selected Plan Dentist, Member may obtain services from a Plan Specialty Dentist. No referral from the selected Plan Dentist is needed. Plan does not cover services received from Non-Plan Providers.
- With Specialty Benefit:** Under the Specialty Benefit, Member may obtain services from a Plan Specialty Dentist or a Non-Plan Specialty Dentist. No referral is needed from the selected Plan Dentist in order for Member to obtain services from the specialty dentist of his choice. Member's out-of-pocket amount may vary depending on whether services are received from an SB Plan Specialty Dentist, a Non-SB Plan Specialty Dentist, or a Non-Plan Specialty Dentist.
- 7.4 **Emergency Services:** Procedures for obtaining Emergency Services are in the Evidence of Coverage. A copy of the procedures may also be obtained by contacting Company.
- 7.5 **Assignment of Benefits:** Member's coverage is intended for sole use and benefit of Member. Coverage cannot be transferred to a third party.

## ARTICLE VIII TERM AND TERMINATION

- 8.1 **Term:** After the initial Plan Year, each Plan Year of Agreement shall have a twelve month term. It shall be automatically renewed at the Anniversary Date unless otherwise terminated.
- 8.2 **Termination:** Agreement may be terminated as follows:
- A. During the initial Plan Year by Company:
1. for failure to pay proper monthly Prepayment Fees or (if applicable) the proper monthly Administration Fee prior to the 10<sup>th</sup> of the month in which such fees are due, subject to a thirty (30) day grace period;

2. for fraud or misrepresentation of fact in obtaining coverage under Plan, effective immediately upon prior written notice to Group;
  3. for material breach of any provision of Agreement, upon thirty (30) days written notice to Group.
- B. At Anniversary Date, upon sixty (60) days prior written notice by Company to Group or by Group to Company.
  - C. After the initial Plan Year, without cause, upon sixty (60) days prior written notice by Company to Group or by Group to Company.
- 8.3 **Services in Progress at Termination:** If Member's enrollment ends for any reason, each Plan Provider is required to complete all dental services initiated prior to the date Member's enrollment ends. Member's financial responsibility for such services is determined according to the terms of Agreement in effect on the last day of Member's enrollment.
- 8.4 **Member Termination:** Member coverage shall terminate as follows:
- A. On the last day of the month for which Group has placed Member on eligibility list and has paid Member's proper Prepayment Fee.
  - B. If Member commits fraud or material misrepresentation in the use of services or facilities, coverage for Member will terminate upon fifteen (15) days written notice.
  - C. If Member commits fraud or material misrepresentation on the Enrollment Form, coverage will terminate upon fifteen (15) days written notice. This provision will not be enforced after two (2) years from the time Member's coverage began.
  - D. If Group or Company terminates Agreement, coverage for Member shall cease on the termination date of Agreement. This shall be subject to any notice required by state law.
  - E. If any Member fails or refuses to make required payments to Plan Providers, including but not limited to Copayments for provided services, Company reserves the right to terminate coverage upon sixty (60) days written notice. Prepayment Fees received for terminated Member for the period after termination date shall be refunded to Group. Thereafter, Company shall have no further liability or responsibility to Member.
  - F. A Member, after reasonable efforts, may be unable to establish and maintain a satisfactory dentist-patient relationship with Plan Provider. If so, Company reserves the right to terminate coverage upon sixty (60) days written notice. Prepayment Fees received for terminated Member for the period after termination date shall be refunded to Group. Thereafter, Company shall have no further liability or responsibility to Member.
  - G. Coverage for Subscriber's Dependents will be terminated if the coverage for Subscriber terminates for any reason. This is subject to continuation privileges for certain Dependents as set forth herein.
  - H. Once a Member is no longer qualified as a Dependent, coverage for that Member will terminate.
  - I. If Member (except a Dependent child for whom Subscriber must provide coverage under a medical-support court order) no longer works or lives in Plan Service Area, coverage will terminate upon thirty (30) days written notice.

- J. Upon misconduct detrimental to safe plan operation and delivery of services, Member's coverage may be terminated immediately.
- 8.5 **Continuation of Coverage under COBRA:** If under the provisions of Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), Public Law 99-272, Member is granted the right to continue coverage beyond the date Member's coverage would otherwise terminate, the following applies. Agreement shall be deemed to allow coverage to continue to comply with the provisions of applicable statutes. Member should contact Group concerning eligibility.
- 8.6 **Continuation of Coverage:** (If continuation of coverage under COBRA is also available, this provision applies upon completion of any such continuation.) Any Member whose coverage under Agreement has been terminated for any reason except involuntary termination for cause, and who has been continuously covered under Agreement or under any group contract providing similar services and benefits which it replaces for at least three consecutive months immediately prior to termination shall be entitled to the continuation privilege as outlined below. Involuntary termination for cause does not include termination for any health-related cause.
- A. Continuation of group coverage under Agreement must be requested in writing within thirty-one (31) days following the later of: (a) the date the group coverage would otherwise terminate; or (b) the date the Member is given notice of the right of continuation by the Group.
- B. A Member electing continuation must pay to the Group on a monthly basis, in advance, the amount of contribution required by the Group, plus two percent of the group rate for the coverage being continued under the Agreement, on the due date of each payment.
- C. The Member's written election of continuation, together with the first contribution required to establish further contributions on a monthly basis, in advance, must be given to the Group within thirty-one (31) days following the later of (a) the date the group coverage would otherwise terminate or, (b) the date the Member is given notice of the right of continuation by the Group.
- D. Continuation may not terminate until the earliest of (a) six (6) months after the date the election is made, (b) the date on which failure to make timely payments would terminate coverage, (c) the date on which the Member is covered for similar services and benefits by another hospital, surgical, medical, or major medical expense insurance policy or hospital or medical service subscriber contract or medical practice or other prepayment plan or any other program, or (d) the date on which the Agreement terminates in its entirety.

## ARTICLE IX GENERAL PROVISIONS

- 9.1 **Amendments:** Company reserves the right to modify, amend or alter Agreement. Any such change will be in writing and duly executed by Company, except to the extent Company updates Plan Benefits to be based on the most current dental terminology.
- 9.2 **Waiver:** The waiver by either party of one or more defaults shall not be construed as a waiver of any other or future default. This applies to any covenant or other condition contained in Agreement. Only an authorized officer of Company may waive any conditions or restrictions of Agreement. Only an authorized officer of Company can amend Agreement, extend time for making a payment or bind Company by making any promise or representation. Such promise or representation shall be in writing. No change in Agreement shall be valid unless endorsed by an authorized officer of Company.

- 9.3 **Notice:** Notice to either party under this Agreement shall be in writing. Notice shall be sent to the address shown in Agreement.
- 9.4 **Terms:** Throughout Agreement, the singular shall include the plural and the plural the singular. The masculine shall include the neuter and feminine. The neuter shall include the masculine and feminine.
- 9.5 **Invalidity:** If any provision of Agreement is determined to be illegal or invalid, all other provisions remain valid. This is true unless the illegality or invalidity prevents the purposes of Agreement from being realized.
- 9.6 **Assignment of Agreement:** No assignment of Agreement is binding upon Company unless Company agrees to it in writing. Any such assignment shall not waive Company's right to withhold its consent to any other assignment. There may occur a merger or acquisition involving Group. If so, Agreement shall remain in force with the surviving entity for the balance of the term of Agreement.
- 9.7 **Acknowledgment:** Each of the parties acknowledges that it has read Agreement and understands its contents. Each party acknowledges it executes Agreement voluntarily.
- 9.8 **Authority:** Group represents it has the authority under applicable law and its charter instrument to execute Agreement.
- 9.9 **Worker's Compensation:** Agreement is not in place of and does not affect any requirement for coverage by Worker's Compensation.
- 9.10 **Governing Law:** Agreement shall be governed by and construed according to laws of the State of Texas.
- 9.11 **Circumstances Beyond Company's Control:** Rendition of dental services may be delayed or made impractical due to circumstances not within Company's control. If this occurs, neither Company nor Plan Provider shall have any liability or obligation to provide services on account of such delay. This includes, but is not limited to, complete or partial destruction of facilities, war, riot and civil insurrection. It also includes labor disputes or disability of a significant number of Plan Providers.
- 9.12 **Major Disaster or Epidemic:** If a major disaster or epidemic occurs, Plan Provider shall render dental services as practical according to his judgment. Such disaster or epidemic may limit available facilities or personnel. In such a situation, neither Company nor Plan Provider shall have any liability or obligation for delay or failure to provide dental services.
- 9.13 **Attorney's Fees and Costs:** If Group defaults in any of its obligations, Group agrees it will pay all of Company's costs to enforce its rights hereunder. This includes, but is not limited to, Company's attorneys' fees and court costs.
- 9.14 **ERISA:** If Group is regulated under the Employee's Retirement Income Security Act of 1974 (ERISA), Company will work with Group in supplying Group with any information in its possession in meeting any reporting requirements. Company is not and shall not be the chosen administrator or fiduciary for reporting requirements.

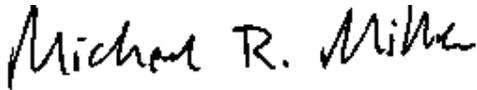
**ARTICLE X  
NON-INSURANCE DISCOUNT VISION PROGRAM**

10.1 **Non-Insurance Discount Vision Program:** Each Member is eligible for a non-insurance discount vision program ("Vision Program"). Under the Vision Program, Company arranges for third party providers to furnish discounted vision services and/or goods to Members. The Vision Program offers discounts on goods and/or services. It is not insurance. Third party service providers, and not Company, are liable to Members for the provision of such goods and/or services. Company is not responsible for the provision of goods and/or services, nor is Company liable for the failure of the provision of the same. Company is not liable to Members for the negligent provision of such goods and/or services by third party service providers. The termination date of any Member's enrollment for Plan Benefits is the termination date of that Member's eligibility for the Vision Program. The termination date of Agreement is the termination date of the Vision Program. Company reserves the right to terminate or modify the Vision Program at its sole discretion and without notice to Members (whether or not during the initial Plan Year).

IN WITNESS WHEREOF, the parties have affixed their signature to this Agreement.

COMPANY: United Dental Care of Texas, Inc.

GROUP:



By: \_\_\_\_\_

Signature

Michael R. Miller, President

\_\_\_\_\_  
Print Name and Title

May 04, 2006

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Signature

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Date

**United Dental Care of Texas, Inc. & Union Security Insurance Company are covered entities under HIPAA for their dental insurance plans. As such, we are required to comply with all HIPAA privacy and security laws and accompanying regulations. We are not considered a business associate when the coverage being provided is fully-insured. Operating as a covered entity requires that we only disclose information for the purposes of treatment, payment or healthcare operations, unless we receive a valid authorization or certification from the employer/plan sponsor.**

**CITY OF AUSTIN  
0640 HIPAA BUSINESS ASSOCIATE AGREEMENT  
RFP EAD0131**

This Agreement is made and entered into between the City of Austin (“City”) and the person or entity identified in the signature block below (the “Business Associate”), and is made with reference to the following facts:

- i. The Program is subject to the privacy and other requirements of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”);
- ii. Under the HIPAA Rules (defined below), the City is required to enter into a written agreement with the Business Associate under the terms and conditions provided below; and
- iii. The parties wish to enter into this Agreement in order to comply with the HIPAA Rules (defined below), and to safeguard Protected Health Information (defined below) appropriately.

Therefore, in consideration of their mutual undertakings set out in this Agreement, and for other good and valuable consideration, the parties agree to the following:

1. **Definitions.** As used in this Agreement:

- A. **“HIPAA Rules”** and/or **“HIPAA”** shall mean the Privacy, Security, Breach Notification, and Enforcement Rules implementing HIPAA and set out at 45 CFR Part 160 and Part 164.
- B. **“Individually Identifiable Health Information”** shall mean information collected from an individual, including demographic information, that:
  - i. Is created or received by the City and provided to the Business Associate; and
  - ii. Relates to: (a) the past, present, or future physical or mental health or condition of an individual; (b) the provision of healthcare to an individual; or (c) the past, present, or future payment for the provision of healthcare to an individual; and
  - iii. Which identifies the individual, or with respect to which there is a reasonable basis to believe the information can be used to identify the individual.
- C. **“Protected Health Information”** shall mean Individually Identifiable Health Information that is: (i) transmitted by electronic media; (ii) maintained in any medium constituting electronic media; or (iii) transmitted or maintained in any other form or medium.
- D. **“Agent”** and **“Subcontractor”** shall mean a third party who is not an employee in the workforce of the Business Associate and who receives Protected Health Information from the Business Associate for purposes of carrying out any part of the Business Associate’s responsibilities under its services agreement with the City.
- E. **“Business Associate”** shall have the same meaning as the term “business associate” set out at 45 CFR Part 160.103, and in reference to the party to this agreement, shall be the party designated as a Business Associate.

2. **Permitted Uses and Disclosures of Protected Health Information by Business Associate.**

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- A. The Business Associate may use or disclose Protected Health Information for the following purposes only: (i) to receive and process claims for payment for eligible Program participants; (ii) to maintain claims history and patient profiles; (iii) to maintain current eligibility data on Program participants; and (iv) for the management and administration of its internal business processes that relate to its legal responsibilities and its responsibilities under the services contract between the City and the Business Associate.
  - B. The Business Associate may use or disclose Protected Health Information as required by law.
  - C. The Business Associate shall make its internal practices, books and records, including policies and procedures, relating to the use and disclosures of Protected Health Information available to the Secretary of the United States Department of Health and Human Services for purposes of determining compliance with HIPAA.
  - D. Within ten (10) calendar days of receipt of a request by the City, the Business Associate shall permit any individual whose Protected Health Information is maintained by the Business Associate to have access to and to copy his or her Protected Health Information, in the format requested, unless it is not readily producible in such format, in which case it shall be produced in hard copy format. In the event any individual requests access to Protected Health Information held by the Business Associate directly from the Business Associate, the Business Associate shall, within two (2) days forward such request to the City.
- 3. Prohibitions on Use and Disclosure of Protected Health Information by Business Associate.**
- A. The Business Associate will not use or further disclose Personal Health Information except as permitted or required by this Agreement, or as required by law.
  - B. The Business Associate shall not sell Protected Health Information, including patient or enrollee lists, nor use any Protected Health Information to engage in “marketing,” as that term is defined in 45 CFR Part 164.501
  - C. The Business Associate shall not disclose Personal Health Information to any member of its workforce unless the Business Associate has advised such person of the Business Associate's obligations under this Agreement and of the consequences for such person and for the Business Associate of violating them.
  - D. The Business Associate shall not disclose Personal Health Information to any Agent, Subcontractor or other third party unless disclosure is required by law, or unless expressly approved in advance by the City in writing. Any such disclosure shall be made in accordance with 45 CFR Parts 164.502 and 164.308, and only upon the written agreement of the Agent, Subcontractor or other third party which shall include, at a minimum:
    - i. The agreement of such Agent, Subcontractor or other third party that creates, receives, maintains, or transmits protected health information on behalf of the Business Associate agree to be bound to the same restrictions, conditions and requirements that apply to Business Associate with respect to such information;
    - ii. Reasonable assurances from such Agent, Subcontractor or other third party that Personal Health Information will be held confidential as provided in this Agreement, and only disclosed

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as required by law or for the purposes for which it was disclosed to such Agent, Subcontractor or other third party; and

- iii. An agreement from such Agent, Subcontractor or other third party to immediately notify the Business Associate of any breaches of the confidentiality of Personal Health Information, to the extent it has obtained knowledge of such breach.

**4. Safeguards for Protected Health Information.**

- A. The Business Associate shall implement appropriate safeguards to prevent use or disclosure of Personal Health Information other than as permitted by this Agreement. The Business Associate shall provide the City with information concerning such safeguards as the City may from time to time request. Upon reasonable request, the Business Associate shall give the City access for inspection and copying to the Business Associate's facilities used for the maintenance and processing of Personal Health Information, and to its books, records, practices, policies, and procedures concerning the use and disclosure of Personal Health Information.
- B. The Business Associate and any Agent or Subcontractor shall comply with the minimum necessary requirements set forth in the HIPAA Rules when using or disclosing Personal Health Information. The Business Associate also agrees to mitigate, to the extent possible, any harmful effects of an improper use or disclosure of Personal Health Information by the Business Associate in violation of the requirements of this Agreement. The Business Associate shall make its internal practices, books, records, including policies and procedures, related to the use and disclosures of protected health information available to the Secretary of the United States Department of Health and Human Services, for purposes of determining compliance with HIPAA.
- C. The Business Associate shall maintain a record of all Personal Health Information disclosures made other than for the permitted purposes of this Agreement, including the date of disclosure, the name and, if known, the address of the recipient of the Personal Health Information, a brief description of the Personal Health Information disclosed, and the purposes of the disclosures.
- D. The Business Associate shall comply with all written directions from the City concerning:
  - i. any special limitations on the use or disclosure of Protected Health Information beyond the requirements of the HIPAA Rules;
  - ii. any changes in, or revocation of, the permission by an individual to use or disclose his or her Protected Health Information that may affect the Business Associate's use or disclosure of such information; and
  - iii. any restriction on the use or disclosure of Protected Health Information that the City has agreed to that may affect the Business Associate's use or disclosure of such information.
- E. Within ten (10) calendar days of notice by the City to the Business Associate that the City has received a request for an accounting of disclosures of Personal Health Information regarding an individual, the Business Associate shall make available to the City such information as is in the Business Associate's possession and is required for the City to make the accounting.
- F. Within five (5) business days of becoming aware of a use or disclosure of Personal Health Information in violation of this Agreement by the Business Associate, Agent or Subcontractor, the

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Business Associate shall report such disclosure or use in writing to the City and describe the remedial action taken or proposed to be taken with respect to such use or disclosure.

- G. The Business Associate shall make any amendment(s) to Protected Health Information in a designated record set as directed or agreed to by the City pursuant to 45 CFR Part 164.526, or take other measures as necessary to satisfy the City's obligations under 45 CFR Part 164.526.
- H. The Business Associate acknowledges that the additional requirements of the HITECH Act (Health Information Technology for Economic and Clinic Health Act enacted as part of the American Recovery and Reinvestment Act of 2009) and the Final Rule (also known as the Omnibus Rule) issued by the U.S. Department of Health and Human Services on January 25, 2013 are applicable to the Business Associate. The Business Associate further acknowledges restrictions on the sales and marketing of protected health information without the explicit authorization of the individual.
- I. To the extent the Business Associate is to carry out one of more of the City's obligations under Subpart E of 45 C.F.R. Part 164, the Business Associate will comply with the requirements of Subpart E that apply to the City in the performance of such obligations.
- J. The Business Associate may not use or disclose protected health information in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by the City except for the specific uses and disclosures set forth below:
  - i. The Business Associate may disclose protected health information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, provided the disclosures are required by law, or the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that the information remains confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies the Business Associate of any instances in which it is aware in which the confidentiality of the information has been breached.
  - ii. The Business Associate may provide data aggregation services related to the health care operations of the City.

**5. Term of this Agreement; Termination; Procedures upon Termination.**

- A. This Agreement shall become effective upon execution by the parties, and shall be effective as of the date of the last party to sign.
- B. The term of this Agreement shall expire with the close of business the contract expiration date. Provided, that either party may terminate this Agreement on any basis at any time prior to the expiration of the term upon written notice to the other party.
- C. Except as provided in paragraph D, below, upon termination of this Agreement, the Business Associate shall return or destroy all Personal Health Information received from the City, or created or received by the Business Associate on behalf of the City. This provision shall also apply to Personal Health Information that is in the possession of Agents or Subcontractors of the Business Associate. The Business Associate shall retain no copies of the Personal Health Information.

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- D. In the event that the Business Associate determines that returning or destroying the Personal Health Information is not feasible, the Business Associate shall provide to the City written notification of the conditions that make return or destruction infeasible. Upon agreement by the City that return or destruction of Personal Health Information is not feasible, the Business Associate shall extend the protections of this Agreement to such Personal Health Information and limit further uses and disclosures of such Personal Health Information to those purposes that make the return or destruction infeasible, for so long as the Business Associate maintains the Personal Health Information. The Business Associate shall continue to use appropriate safeguards and comply with Subpart C of 45 C.F.R. Part 164 with respect to electronic protected health information to prevent use or disclosure of the protected health information, other than as provided for in this Section, for as long as Business Associate retains the protected health information.
- E. The Business Associate shall not use or disclosure the protected health information retained by the Business Associate other than for the purposes for which the protected health information was retained and subject to the same conditions set out in this Agreement which applied prior to Termination.
- F. Survival. The obligations of the Business Associate under this Section shall survive the termination of this Agreement.

**6. Other Provisions.**

- A. **Indemnification.** The Business Associate shall indemnify and hold harmless the City from and against any and all costs, liabilities, losses, damages and expenses (including, but not limited to, reasonable attorneys' fees) resulting from any claim, lawsuit or proceeding brought by a third party against the City and arising from or related to a breach or alleged breach by the Business Associate or the Business Associate's Agents or Subcontractors of the obligations referenced herein. The Business Associate's obligation to indemnify shall survive the expiration or termination of the Contract.
- B. **Remedies for Breach.** Without limiting the rights of the parties under paragraph 5, should the Business Associate breach any of its obligations under this Agreement, the City may at its option: (i) exercise its rights of access and inspection under paragraph 2, above; and/or (ii) report the breach to the Secretary of the United States Department of Health and Human Services.
- C. **Notices.** Any notice by a party required or provided for under this Agreement shall be effective upon delivery via regular or electronic mail to the other party at the following address:

<b>To the City:</b>	<b>To the Business Associate:</b>
Name:	Name:
Phone:	Phone:
Fax:	Fax:
Email:	Email:

- D. **Amendments.** Upon the enactment of any law or regulation affecting the use or disclosure of protected health information, or the publication of any decision of a court of the United State or State of Texas relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, the City may, by written notice to the Business Associate, amend this Agreement in such a manner as the

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City determines necessary to comply with such law or regulation. Notwithstanding the foregoing, if the City and Business Associate have not amended this Agreement to address a law or final regulation that becomes effective after the effective date of this Agreement and that is applicable to this Agreement, then upon the effective date of such law or regulation (or any portion thereof) this Agreement shall be amended automatically and deemed to incorporate such new or revised provisions as are necessary for this Agreement to be consistent with such law or regulation for the City and the Business Associate to be and remain in compliance with all applicable laws and regulations.

- E. **Construction of Terms.** A reference in this Agreement to a section in the HIPAA Rules means the section in effect or as amended at the time. Any ambiguity in this Agreement shall be interpreted to permit compliance with the HIPAA Rules.

Agreed to by the parties through the signatures of their authorized representatives below:

**THE CITY OF AUSTIN, TEXAS**

**THE BUSINESS ASSOCIATE:**

By: \_\_\_\_\_  
[Signature]

By: \_\_\_\_\_  
[Signature]

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Organization Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**UPDATED**  
**0610: RATE FORM**  
**SOLICITATION NUMBER: RFP EAD0131**

PPO/INDEMNITY DENTAL RATE FORM					
Plan Option:	\$50 Deductible, \$1,000 Annual Plan Maximum Dental Plan Design				
Classification of Eligible Subscriber	Monthly Rate for Plan Year 2018	Monthly Rate for Plan Year 2019	Monthly Rate for Plan Year 2020	Monthly Rate for Plan Year 2021	Monthly Rate for Plan Year 2022
Retiree Only	\$28.83	\$28.83	based on renewal	based on renewal	based on renewal
Retiree Plus One	\$60.66	\$60.66	based on renewal	based on renewal	based on renewal
Retiree & Family	\$88.83	\$88.83	based on renewal	based on renewal	based on renewal
ALTERNATE PLAN: PPO/INDEMNITY DENTAL RATE FORM					
Optional Plan					
Classification of Eligible Subscriber	Monthly Rate for Plan Year 2018	Monthly Rate for Plan Year 2019	Monthly Rate for Plan Year 2020	Monthly Rate for Plan Year 2021	Monthly Rate for Plan Year 2022
Retiree Only					
Retiree Plus One					
Retiree & Family					
DMO/PRE-PAID PLAN DESIGN DENTAL RATE FORM					
Classification of Eligible Subscriber	Monthly Rate for Plan Year 2018	Monthly Rate for Plan Year 2019	Monthly Rate for Plan Year 2020	Monthly Rate for Plan Year 2021	Monthly Rate for Plan Year 2022
Retiree Only	\$10.14	\$10.14	\$10.14	3% cap	3% cap
Retiree Plus One	\$16.64	\$16.64	\$16.64	3% cap	3% cap
Retiree & Family	\$25.77	\$25.77	\$25.77	3% cap	3% cap

For Purposes of Rates.

Retiree Only could also be:	A Surviving Spouse or Surviving Dependent
Retiree Plus One could also be:	A Surviving Spouse & a Dependent or Two Surviving Dependents
Retiree & Family could also be:	A Surviving Spouse & 2 or more Surviving Dependents or 3 or more Surviving Dependents

**Union Security Insurance Company**  
2323 Grand Boulevard  
Kansas City, MO 64108

Policy 5485058  
Participant 0  
Booklet 1  
4/21/2017

**United Dental Care of Texas, Inc.**  
2323 Grand Boulevard  
Kansas City, MO 64108-2670  
800-443-2995

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**EVIDENCE OF COVERAGE**

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**ARTICLE I  
DEFINITIONS**

- 1.1 **Agreement:** The Group Dental Service Agreement between Group and Company and related documents constituting the entire contract under which Plan Benefits are provided to Members.
- 1.2 **Anniversary Date:** Agreement's first Anniversary Date is the day after the initial Plan Year ends, as stated in Agreement. The Anniversary Date occurs on the same date in each subsequent year, as stated in Agreement.
- 1.3 **Company:** United Dental Care of Texas, Inc.
- 1.4 **Copayment:** Shall mean a per-service fee charged to Member by Plan Provider as identified in the Copayment Schedule.
- 1.5 **Dental Emergency:** A dental condition of recent onset and severity accompanied by excessive bleeding, severe pain, or acute infection that would lead a prudent layperson possessing an average knowledge of dentistry to believe that immediate care is needed.
- 1.6 **Dependent:** Subscriber's spouse or domestic partner and Subscriber's natural children from and after moment of birth, adopted children from date of placement (or from the date Subscriber becomes a party in a suit in which the adoption of the child by Subscriber is sought, if that is earlier), grandchildren, children for whom Subscriber has a temporary or permanent court order granting conservatorship or guardianship, children for whom Subscriber is required to provide coverage by a medical-support court order, stepchildren or covered domestic partner's children and foster children. To be eligible, all such children must be under age twenty-five (25) years (the "Limiting Age") and unmarried. To be eligible, grandchildren must also qualify as a dependent, as defined by the IRS, on your, your spouse's or your domestic partner's Federal income tax return. To be eligible, stepchildren or covered domestic partner's children and foster children must also be chiefly dependent on Subscriber for maintenance and support. Eligibility may be extended past the Limiting Age for unmarried children who are not capable of self-sustaining employment due to a disability or physical handicap and chiefly dependent on Subscriber for maintenance and support. If Company requests proof of a Dependent's eligibility, Subscriber must furnish proof within 31 days of Company's request. Company will not require proof of a Dependent's continuing eligibility more than once a year.
- 1.7 **Effective Date:** The date Agreement becomes effective, as stated in Agreement.
- 1.8 **Emergency Services:** Those procedures administered in a dentist's office, dental clinic, or other comparable facility to evaluate and stabilize a dental condition that is a Dental Emergency.
- 1.9 **Group:** Shall mean the employer, association, or other organization identified in Agreement.
- 1.10 **Member:** Shall mean a Subscriber or Dependent enrolled in Plan.
- 1.11 **Non-Plan Dentist:** A general dentist who is not a Plan Dentist.
- 1.12 **Non-Plan Provider:** A Non-Plan Dentist or a Non-Plan Specialty Dentist, or a hygienist or technician acting with or assisting such a dentist.
- 1.13 **Non-Plan Specialty Dentist:** A dentist practicing in a dental specialty who is not a Plan Specialty

Dentist.

- 1.14 **Plan Benefits:** Shall mean benefits for services provided under Agreement, subject to any limitations and exclusions.
- 1.15 **Plan Dentist:** Shall mean a licensed General Dentist who, at time Plan Benefits are provided, is under contract with Company to provide certain dental services to Members. Copayments listed in the **PLAN DENTIST SERVICES** Section of the Copayment Schedule apply only to Plan Dentists who perform the corresponding services listed in the Copayment Schedule. The Plan Dentist selected by Member may not perform all listed services. In order to fully understand payment responsibility for dental services, Member should discuss availability of services and the proposed treatment and its cost with selected Plan Dentist prior to receiving treatment.
- 1.16 **Plan Provider:** Shall mean a Plan Dentist or Plan Specialty Dentist who, at time Plan Benefits are provided, is under contract with Company to provide services to Members. The term shall include any hygienists and technicians recognized by the dental profession who act with and assist Plan Dentist or Plan Specialty Dentist. A list of Plan Providers shall be published in Plan Dentist Directory. Company has sole discretion to determine which providers may be Plan Providers. Plan Providers are independent contractors in private practice and are neither employees nor agents of Company. Company cannot guarantee that any specific provider will be a Plan Provider. The status of providers as Plan Providers is subject to change.
- 1.17 **Plan Specialty Dentist:** Shall mean a licensed dentist practicing in a dental specialty who, at time Plan Benefits are provided, is under contract with Company to provide dental specialty services to Members. Some examples of dental specialties are endodontics, periodontics, oral surgery, orthodontics, and pedodontics. Each Plan Specialty Dentist will participate in only one of the following two categories:

**Non-Specialty-Benefit Plan Specialty Dentist (or Non-SB Plan Specialty Dentist)** - offers any dental specialty service he provides to Members at a specific reduction from his normal retail charge.

**Specialty-Benefit Plan Specialty Dentist (or SB Plan Specialty Dentist)** - offers certain dental specialty services he provides to Members for specified Copayments (services and Copayments listed in the **SPECIALTY DENTIST SERVICES** Section of the Copayment Schedule) and offers all other dental specialty services he provides to Members at a specific reduction from his normal retail charge.

In order to fully understand payment responsibility for dental specialty services, Member should discuss the proposed treatment and its cost with Plan Specialty Dentist prior to receiving treatment. Availability of specific types of specialty services from SB or Non-SB Plan Specialty Dentists depends on which types of dentists are SB or Non SB Plan Specialty Dentists. Company cannot guarantee that any specific type of dentist will be an SB or Non SB Plan Specialty Dentist. Types of dentists who are SB or Non SB Plan Specialty Dentists may vary from time to time in different parts of the Service Area. Copayments listed in the **SPECIALTY DENTIST SERVICES** Section of the Copayment Schedule apply only to SB Plan Specialty Dentists who perform the corresponding services listed in the Copayment Schedule. The SB Plan Specialty Dentist selected by Member may not perform all listed services.

- 1.18 **Plan Year:** Agreements initial Plan Year begins on the Effective Date and last for the number of months stated in Agreement. Each subsequent Plan Year of Agreement begins on the Anniversary Date and lasts for a period of twelve (12) calendar months.
- 1.19 **Prepayment Fee:** The periodic, prospectively determined rate or fee paid to Company for each Member's coverage.
- 1.20 **Service Area:** The geographic area where Plan Benefits are available. The extent of the Service

Area is within the sole discretion and determination of Company.

- 1.21 **Subscriber:** Shall mean an employee, member or beneficiary of Group who is eligible to participate in Plan under the eligibility requirements determined by Group.

## ARTICLE II ELIGIBILITY AND MEMBER EFFECTIVE DATE

- 2.1 **Eligibility:** Subscriber and his Dependent(s) are eligible to become Members of Plan during the open enrollment period set by Group. For Subscribers who become eligible after the Effective Date, eligibility shall be subject to Group's eligibility rules. Each Member (except a Dependent child for whom Subscriber must provide coverage under a medical-support court order) must work or live in Plan Service Area to participate in Plan.

If an additional Prepayment Fee is required for coverage of Subscriber's newly born natural child or Subscriber's child newly placed for adoption, and if Subscriber wishes to have the child covered as of the date of birth or placement, Group must notify Company and pay the additional Prepayment Fee within thirty-one (31) days after that date.

- 2.2 **Coverage of Members / Effective Date:** Each Subscriber or Dependent whose Prepayment Fee has been accepted by Company on or before the 20th day of the month will be covered beginning the first day of the following month. Each Subscriber or Dependent whose Prepayment Fee has been accepted by Company after the 20th day, but by the last day, of a month will be covered beginning the first day of the second following month.

## ARTICLE III MEMBER'S COPAYMENTS

- 3.1 **Member's Copayments and Other Charges:** Member is responsible for payment of all Copayments, any additional laboratory fees for certain dental services as stated in the Copayment Schedule, and all charges for services that are not Plan Benefits. Member must pay dental provider at the time service is rendered. Member may have an option to pay according to provider's billing procedures.

## ARTICLE IV BENEFITS AND COVERAGES

- 4.1 **Assignment of Benefits:** Member's coverage is intended for the sole use and benefit of Member and cannot be transferred to a third party.
- 4.2 **Plan Benefits:** Company shall provide benefits for dental services to Members as set forth in the Evidence of Coverage and Copayment Schedule. Services are subject to limitations and exclusions. Services are provided for the term of Agreement. Company reserves the right to change Plan Benefits after the initial Plan Year. Notice of change is subject to sixty (60) days written notice.
- 4.3 **Current Dental Terminology:** Plan Benefits will be based on the most current dental terminology. From time to time, and with at least thirty (30) days written notice to Group, Company reserves the right to update Agreement to reflect the most current dental terminology.
- 4.4 **Provision of Plan Benefits / Plan Providers:** Except as specifically provided in the **EMERGENCY SERVICES** Article of the Evidence of Coverage and the **SPECIALTY DENTIST SERVICES** Section of the Copayment Schedule, Agreement provides only for services performed by a Plan Provider. Except as specifically provided in the **EMERGENCY SERVICES** Article of the Evidence of Coverage and the **SPECIALTY DENTIST SERVICES** Section of the Copayment

Schedule, Company shall not have any liability due to treatment by any non-Plan Provider. In addition, Company shall not have any liability due to treatment by any physician, hospital, other person, institution or group. Each Member shall select a Plan Dentist from the Plan Dentist Directory furnished by Group to Member. Specialty services covered by Plan may be obtained from a Plan Specialty Dentist or Non-Plan Specialty Dentist. Agreement provides for services only. It is not an insurance policy. It does not reimburse Member or Group except as specifically provided in the **EMERGENCY SERVICES** Article of the Evidence of Coverage and the **SPECIALTY DENTIST SERVICES** Section of the Copayment Schedule.

**4.5 Selection of Provider:**

- A. **Plan Dentist:** Each Member shall select a Plan Dentist from Plan Dentist Directory. To obtain Plan Benefits, Member shall contact selected Plan Dentist.

**Change of Selected Plan Dentist:** Member or Plan Dentist may request a change of Plan Dentist selection by contacting Company. Change requests received by the 20<sup>th</sup> day of a month will be effective on the first day of the next following month. Change requests received after the 20<sup>th</sup> day of a month will be effective the first day of the second following month. Plan Benefits will not be available for services from the newly-selected Plan Dentist until the change request is received and implemented by Company.

- B. **Plan Specialty Dentist:** If Member requires specialty services that cannot be provided by Member's selected Plan Dentist, Member may obtain services from a Plan Specialty Dentist or a Non-Plan Specialty Dentist. No referral from the selected Plan Dentist is needed. Member's out-of-pocket amount may vary depending on whether services are received from an SB Plan Specialty Dentist, a Non-SB Plan Specialty Dentist, or a Non-Plan Specialty Dentist.

- 4.6 **Member/Plan Provider Relationship:** The relationship between Member and Plan Provider shall be an independent professional one. Plan Provider shall be solely responsible, without intrusion by Company or Group for all services within the professional relationship between Member and Plan Provider. Plan Provider has the right to refuse treatment to any Member who: (1) fails to follow a prescribed course of treatment; (2) fails to keep confirmed appointments; (3) fails or refuses to make required payments (including but not limited to Copayments, laboratory fees or missed appointment fees as noted in the Copayment Schedule) or any charges for non covered procedures; (4) uses the relationship for illegal purposes; or (5) otherwise makes the professional relationship unduly burdensome. Company has the right to refuse Plan Benefits to any Member by terminating coverage as stated in the **Member Termination** section of the **TERMINATION** article of the Evidence of Coverage

- 4.7 **Providers not participating with Plan:** Company does not review practice standards of Non-Plan Providers. Members who obtain services from Non-Plan Providers should separately assess the practice standards and skills of those providers.

**ARTICLE V  
LIMITATIONS AND EXCLUSIONS**

- 5.1 **Pre-Existing Conditions:** Agreement's exclusions and limitations apply with respect to Member's oral conditions without regard to whether or not such conditions existed before the effective date of Member's enrollment for Plan Benefits.

- 5.2 **Exclusions:** Plan Benefits are not available for:

- A. Any services not specifically described in the Copayment Schedule (including but not limited to any hospital or outpatient care facility cost associated with any dental service). However, the reference to "hospital or outpatient care facility" does not include a dentist's office, dental clinic, or other comparable facility when the services described in the Copayment Schedule

qualify as Emergency Services as defined in the Evidence of Coverage.

- B. Any part of any dental service for which a charge is incurred before the effective date of Member's enrollment for Plan Benefits. This exclusion means only that payment of the incurred charge, at the provider's entire normal retail cost for that part of that service, remains the Member's responsibility after the Member enrolls for Plan Benefits.
  - C. Any dental service initiated after Member's enrollment for Plan Benefits ends.
  - D. Services provided by Non-Plan Providers unless (a) for services of Non-Plan Specialty Dentists as specifically provided in the **SPECIALTY DENTIST SERVICES** Section of the Copayment Schedule or (b) for Emergency Services as specifically provided in the **EMERGENCY SERVICES** Article of the Evidence of Coverage.
  - E. Replacement of bridgework, dentures or other fixed or removable appliances unless (a) at least five (5) years have elapsed since such appliances was provided as a Plan Benefit, or (b) during that five (5) year period, appliance becomes unusable and can not be made usable due to Member's illness or an accident involving damage to the appliance while it is in use.
  - F. Replacement of dentures or other removable appliances due to (a) damage while not in use or (b) loss or theft.
  - G. Oral reconstruction using fixed bridgework or other fixed appliances if the overall treatment plan to achieve complete oral reconstruction involves the replacement of six (6) or more teeth (whether those teeth are missing before treatment begins or are extracted as part of the overall treatment plan.)
  - H. Implants or any related implant appliances, or surgery for the insertion of implants or any related implant appliances, whether fixed or removable.
  - I. Surgical removal of implants or implant appliances, or any surgical or non-surgical services to adjust, repair, replace, or treat any problem related to an existing implant or implant appliance, whether fixed or removable.
  - J. Restorations or splints used to increase vertical dimension, restore occlusion, or replace or stabilize tooth structure lost by attrition.
  - K. Orthodontic Treatment involving therapy for myofunctional problems, TMJ (temporomandibular joint) dysfunctions, micrognathis, macroglossia, cleft palate or other growth and developmental abnormalities.
  - L. Orthodontic treatment associated with orthognathic surgery, whether the treatment precedes or follows the surgery.
  - M. Extractions of third molars (wisdom teeth) that are not symptomatic, whether or not the extractions follow the completion of orthodontic treatment. Examples of symptomatic conditions include decay, odontogenic cysts, chronic pericoronitis and infection.
  - N. Treatment for malignancies, neoplasms or cysts, including but not limited to biopsies.
- 5.3 **Orthodontic Extractions:** Extractions by a Plan Provider for solely orthodontic purposes are not subject to the fixed Copayments shown for extractions in the Copayment Schedule. Instead, such extractions are subject to charges reflecting a 25% reduction from that Plan Provider's normal retail charges for such extractions.
- 5.4 **Services of Non-Plan Specialty Dentists:** Plan Benefit payments for services of Non-Plan Specialty Dentists, as provided in the **SPECIALTY DENTIST SERVICES** Section of the Copayment Schedule, are limited to a total of \$2000.00 per calendar year.

**ARTICLE VI  
EMERGENCY SERVICES**

- 6.1 **If Selected Plan Dentist is Available:** A Member who has a Dental Emergency should seek care from his or her selected Plan Dentist. Plan Benefits apply to all services of the Member's selected Plan Dentist as stated in the **PLAN DENTIST SERVICES** Section of the Copayment Schedule.
- 6.2 **If Selected Plan Dentist is Not Available:** If a Member has a Dental Emergency and the Member's selected Plan Dentist is not available, the Member may seek and receive Emergency Services from any other licensed dentist within the United States of America. Company will reimburse only the expenses for Emergency Services (as defined in the Evidence of Coverage) that are listed in the **PLAN DENTIST SERVICES** Section of the Copayment Schedule and provided by such dentist, less the Copayment amounts that would have applied to the same services provided by Member's selected Plan Dentist.
- 6.3 **Expense Reimbursement:** Reimbursement of expenses for Emergency Services is subject to the following conditions:
- A. The only expenses eligible for reimbursement are expenses for services provided by a dentist (other than Member's selected Plan Dentist) within the United States of America, where the services both: (1) are listed in the **PLAN DENTIST SERVICES** Section of the Copayment Schedule; and (2) qualify as Emergency Services as stated in the definition of "Emergency Services" in the **DEFINITIONS** Article of the Evidence of Coverage. Such services are also subject to the same limitations and exclusions (as listed in the Evidence of Coverage) that would apply to services provided by Member's selected Plan Dentist.
  - B. Services administered in a hospital or outpatient care facility other than a dentist's office, dental clinic, or other comparable facility do not qualify as Emergency Services as defined in the Evidence of Coverage. Therefore, reimbursement is not available for such hospital's or outpatient care facility's charges.

**ARTICLE VII  
DENTAL CHARGES PAID BY MEMBERS**

- 7.1 Company does not reimburse Member except for benefits for Emergency Services as specifically stated in the **EMERGENCY SERVICES** Article of the Evidence of Coverage and for certain Non-Plan Specialty Dentist services as specifically stated in the **SPECIALTY DENTIST SERVICES** Section of the Copayment Schedule. Reimbursement of Member expenses for such services is subject to the following conditions:
- A. **Proof of Expenses.** Member must furnish satisfactory written proof of covered expenses to Company. This must be within sixty (60) days after receipt of the services for which Member seeks reimbursement. Member should send reimbursement requests, with satisfactory written proof of covered expenses to:

**Dental Claims  
P.O. Box 2940  
Clinton, Iowa 52733**
  - B. **Failure to Furnish Proof of Expenses.** Failure to furnish proof to Company within the required time shall not nullify or reduce reimbursement. This is true: (1) only if it was not reasonably possible to provide proof within such time and (2) if proof is furnished as soon as reasonably possible.
  - C. **Reimbursement of Expenses.** Reimbursement requests will be processed within forty-five (45) days of Company's receipt of satisfactory written proof of expenses. This applies unless

Member is notified of the need for additional time. If reimbursement is denied, written notice shall be given to Member within forty-five (45) days of Company's receipt of request. Such notice will contain the reasons for denial.

- D. **Limitations of Actions.** No action at law or equity shall be brought under this Article against Company prior to the end of the ninety (90) day period following the date on which satisfactory written proof of the expenses has been furnished to Company. No such action shall be brought later than three (3) years after the ending of the period of time in which such proof of expenses must be furnished to Company.

## **ARTICLE VIII MEMBER APPEALS PROCESS**

- 8.1 **Resolution Procedures:** Any inquiry, complaint or grievance shall be made by contacting Company or Plan Provider. Members should take any question or concern directly to Plan Provider rendering service to resolve the issue immediately. Company inquiries or dissatisfactions may be conveyed by telephone or in writing.

A. **Verbal Complaint:** Member may contact Company Customer Service department regarding any inquiry, complaint or grievance that cannot be resolved to Member's satisfaction. This occurs after speaking directly with the dentist or other concerned party. Company Customer Service Representative will assess and resolve Member's concern. If Member is not satisfied with the resolution, Member may file a written complaint to Company. Company Customer Service Representative will provide Member with the guidelines. In addition, such representative will provide complaint form to be completed.

B. **Written Complaint:** Company expects receipt of a completed complaint form or correspondence from Member expressing dissatisfaction with service or care delivered by Company or Plan Dentist. Once this occurs, Company will acknowledge the written complaint within five (5) business days. Company will investigate the complaint and will provide a written resolution to Member within (30) calendar days. In matters of quality of care or clinical issues, an appropriate health professional will be consulted. If the complaint is not resolved to Member's satisfaction, Company shall provide an appeal procedure.

C. **Appeal Procedure:** If Member is not satisfied with the resolution of a written complaint, Member may request an appeal of Company's assessment by submitting a written request to Company. Within five (5) days of receipt, Company will send Member an acknowledgement of receipt of Member's request for appeal, which shall include information regarding the appeal process and Member's right to appear before the appeal panel. Company will conduct an investigation of the appeal involving persons who did not participate in the initial resolution of the written complaint. In matters concerning quality of care, an appropriate health care professional will be consulted. At the conclusion of the investigation, Company will notify Member of Company's decision. In all cases, the Member will receive written notice containing the final determination of the appeal panel. The notice shall include the specific dental judgement and/or contractual criteria used to reach the final decision and the address and toll-free number of the Texas Department of Insurance. The appeals process shall be completed within thirty (30) days after receipt of Member's request for appeal.

D. **Complaints Regarding Emergency Services:** Notwithstanding any provision in the Agreement to the contrary, investigation and resolution of complaints regarding presently occurring Emergency Services shall be concluded in accordance with the immediacy of the case and shall not exceed twenty-four (24) hours from receipt of Member's complaint.

**ARTICLE IX  
TERMINATION**

- 9.1 **Termination of Eligibility:** If Subscriber is terminated or leaves Group, Subscriber and his Dependents shall continue to be covered until Company is notified in writing of Subscriber's termination.
- 9.2 **Member Termination:** Member coverage shall terminate as follows:
- A. On the last day of the month for which Group has placed Member on eligibility list and has paid Member's proper Prepayment Fee.
  - B. If Member commits fraud or material misrepresentation in the use of services or facilities, coverage for Member will terminate upon fifteen (15) days written notice.
  - C. If Member commits fraud or material misrepresentation on the Enrollment Form, coverage will terminate upon fifteen (15) days written notice. This provision will not be enforced after two (2) years from the time Member's coverage began.
  - D. If Group or Company terminates Agreement, coverage for Member shall cease on the termination date of Agreement. This shall be subject to any notice required by state law.
  - E. If any Member fails or refuses to make required payments to Plan Providers, including but not limited to Copayments for provided services, Company reserves the right to terminate coverage upon sixty (60) days written notice. Prepayment Fees received for terminated Member for the period after termination date shall be refunded to Group. Thereafter, Company shall have no further liability or responsibility to Member.
  - F. A Member, after reasonable efforts, may be unable to establish a satisfactory dentist-patient relationship with a Plan Provider. If so, Company reserves the right to terminate coverage upon sixty (60) days written notice. Prepayment Fees received for terminated Member for the period after termination date shall be refunded to Group. Thereafter, Company shall have no further liability or responsibility to Member.
  - G. Coverage for Subscriber's Dependents will be terminated if the coverage for Subscriber terminates for any reason. This is subject to continuation privileges for certain Dependents as set forth herein.
  - H. Coverage for a Member who is a Dependent will be terminated at the end of the month in which that Member is no longer qualified as a Dependent.
  - I. If Member (except a Dependent child for whom Subscriber must provide coverage under a medical support court order) no longer works or lives in Plan Service Area, coverage will terminate upon thirty (30) days written notice.
  - J. Upon misconduct detrimental to safe plan operation and delivery of services, Member's coverage may be terminated immediately.

**ARTICLE X  
CONTINUATION OF COVERAGE / COBRA**

- 10.1 **Services In Progress at Termination:** If Member's enrollment ends for any reason, each Plan Provider is required to complete all dental services initiated prior to the date Member's enrollment ends. Member's financial responsibility for such services is determined according to the terms of Agreement in effect on the last day of Member's enrollment.
- 10.2 **Continuation of Coverage under COBRA:** If under the provisions of Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), Public Law 99-272, Member is granted the

right to continue coverage beyond the date Member's coverage would otherwise terminate, the following applies. Agreement shall be deemed to allow coverage to continue to comply with the provisions of applicable statutes. Member should contact Group concerning eligibility.

- 10.3 Continuation of Coverage: (If continuation of coverage under COBRA is also available, this provision applies upon completion of any such continuation.) Any Member whose coverage under Agreement has been terminated for any reason except involuntary termination for cause, and who has been continuously covered under Agreement or under any group contract providing similar services and benefits which it replaces for at least three consecutive months immediately prior to termination shall be entitled to the continuation privilege as outlined below. Involuntary termination for cause does not include termination for any health-related cause.
- A. Continuation of group coverage under Agreement must be requested in writing within thirty-one (31) days following the later of: (a) the date the group coverage would otherwise terminate; or (b) the date the Member is given notice of the right of continuation by the Group.
  - B. A Member electing continuation must pay to the Group on a monthly basis, in advance, the amount of contribution required by the Group, plus two percent of the group rate for the coverage being continued under the Agreement, on the due date of each payment.
  - C. The Member's written election of continuation, together with the first contribution required to establish further contributions on a monthly basis, in advance, must be given to the Group within thirty-one (31) days following the later of (a) the date the group coverage would otherwise terminate or (b) the date the Member is given notice of the right of continuation by the Group.
  - D. Continuation may not terminate until the earliest of (a) six (6) months after the date the election is made, (b) the date on which failure to make timely payments would terminate coverage, (c) the date on which the Member is covered for similar services and benefits by another hospital, surgical, medical, or major medical expense insurance policy or hospital or medical service subscriber contract or medical practice or other prepayment plan or any other program, or (d) the date on which the Agreement terminates in its entirety.

## ARTICLE XI GENERAL PROVISIONS

- 11.1 **Amendments:** Company reserves the right to modify, amend or alter Agreement. Any such change will be in writing and duly executed by Company, except to the extent Company updates Plan Benefits to be based on the most current dental terminology.
- 11.2 **Distribution of Plan Materials and Notices to Members:** Company may be obligated under state law to give notice or Plan materials to Member. If so, it shall be sufficient for Company to give notice or Plan materials to the Group's delegate, unless state law requires otherwise. Group shall then be responsible for providing notice or Plan materials to Subscribers.
- 11.3 **Circumstances Beyond Company's Control:** Rendition of dental services may be delayed or made impractical due to circumstances not within Company's control. If this occurs, neither Company nor Plan Provider shall have any liability or obligation to provide services on account of such delay. This includes, but is not limited to, complete or partial destruction of facilities, war, riot, and civil insurrection. It also includes labor disputes or disability of a significant number of Plan Providers.
- 11.4 **Major Disaster or Epidemic:** If a major disaster or epidemic occurs, Plan Provider shall render dental services as practical according to his judgment. Such disaster or epidemic may limit

available facilities or personnel. In such situation, neither Company nor Plan Provider shall have any liability or obligation for delay or failure to provide dental services.

**TO CONTACT CUSTOMER SERVICE, CALL 1-800-443-2995**

## **HIPAA NOTICE OF PRIVACY PRACTICES**

THIS NOTICE DESCRIBES HOW MEDICAL, DENTAL AND VISION INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.

### **I. Our Commitment**

Union Security Insurance Company and its affiliated prepaid dental companies\* are committed to protecting the personal information entrusted to us by our customers. The trust you place in us when you share your personal information is a responsibility we take very seriously and is the cornerstone of how we conduct our business.

We use the brand name "Assurant Employee Benefits" to associate our products and services and to connect us with the brand of our parent company, Assurant, Inc.

The Health Insurance Portability and Accountability Act (HIPAA) provides us and our affiliates with guidelines and standards to follow when we use or disclose your Protected Health Information (PHI). This new law also gives you, our customer, numerous rights regarding your ability to see, inspect, and copy your PHI. Because our commitment to privacy means complying with all privacy laws, we are providing you this notice outlining our privacy practices. The following information is intended to help you understand what we can and cannot do with your PHI and what your rights are under HIPAA.

### **II. Our Use and Disclosure of Your PHI**

HIPAA allows us to use and disclose your PHI for treatment, payment, and dental or vision care operations without asking your permission. For instance, we may disclose information to a dental or vision provider to assist the provider in properly treating you or a dependent (Treatment). We may disclose certain information to the dental or vision provider in order to properly pay a claim or to your employer in order to collect the correct premium amount (Payment). We may disclose your information in order to help us make the correct underwriting decision or to determine your eligibility (Operations).

Other examples of possible disclosures for purposes of dental or vision care operations include:

- Underwriting our risk and determining rates and premiums for your dental or vision plan;
- Determining your eligibility for benefits;
- Reviewing the competence and qualifications of dental care or other providers;
- Conducting or arranging for dental review, legal services, and auditing functions, including fraud and abuse detection and compliance;
- Business planning and development;
- Business management and general administrative duties such as cost-management, customer service, and resolution of internal grievances;
- Other administrative purposes.

We can also make disclosures under the following circumstances without your permission:

- As required by law, including response to court and administrative orders, or to report information about suspected criminal activity;
- To report abuse, neglect, or domestic violence;

- To authorities that monitor our compliance with these privacy requirements;
- To coroners, medical examiners, and funeral directors;
- For research and public health activities, such as disease and vital statistic reporting;
- To avert a serious threat to health or safety;
- To the military, certain federal officials for national security activities, and to correctional institutions;
- To the entity sponsoring your group dental or vision plan but only for purposes of enrollment, disenrollment, eligibility or for the purpose of giving the plan sponsor summary information when necessary to help make decisions regarding changes to the plan. If the plan sponsor has certified that its plan documents have been amended to include certain privacy provisions, we may also disclose protected health information to the plan sponsor to carry out plan administration functions that the plan sponsor performs on behalf of the plan;
- To a spouse, family member, or other personal representative if they can show they are assisting in your care or payment of your care and then, without an authorization, only basic information about the status or payment of a claim.

**Unless you give us written authorization, we cannot use or disclose your PHI for any reason except as otherwise described in this notice.** You may revoke your written authorization at any time by writing us at the address indicated at the end of this notice.

### III. Your Individual Rights

You have the following rights with regard to your Protected Health Information:

- **To Restrict our Use or Disclosure.** You have the right to ask us to limit our use or disclosure of your PHI. While we will consider your request, we are not legally required to agree to the additional restrictions. If we do agree to all or part of your request, we will inform you in writing. We cannot agree to limit any use and disclosure of your PHI if the use or disclosure is required by law.
- **To Access your PHI.** You have the right to view and/or copy your PHI at any time by contacting us. If you want copies of your PHI, or want your PHI in a special format, we may charge you a fee. You have a right to choose what portions of your PHI you want copied and to have prior notice of copying costs. If for some reason we deny your request for access to your PHI, we will provide a written explanation of why your request was denied and explain how you can appeal the denial.
- **To Amend your PHI.** You have the right to amend your PHI, if you believe it is incomplete or inaccurate. Your request must be in writing, with an explanation of why you feel the information should be amended. If we approve your request to amend your PHI, we will make reasonable efforts to inform others, including people you name, about the amendment to your PHI. We may deny your request for various reasons, for example, if we determine that the information is correct and complete, or if we did not create the information. If we deny your request, we will provide you a written explanation of our decision. We also will explain your rights regarding having your request and our response included with all future disclosures of your PHI.
- **To Obtain an Accounting of our Disclosures.** You have the right to receive a listing from us of all instances in which we or our business associates have disclosed your PHI for purposes other than treatment, payment, health care operations, or as authorized by you. This list will include only those disclosures made since April 14, 2003 and will only go back six years. The accounting will tell you the date we made the disclosure, the name of the person or entity to whom the disclosure was

made, a description of the PHI that was disclosed, and the reason for the disclosure. There may be a charge for accounting disclosures if requested more than once a year.

- **To Request Alternative Communications.** You have the right to ask us to communicate with you about your confidential information by a different method or at another location. We will accommodate all reasonable requests.
- **To Receive Notice.** You are entitled to receive a copy of this notice that outlines our HIPAA privacy practices. We reserve the right to change these practices and the terms of this notice at any time. We will not make any material changes to our privacy practices without first sending you a revised notice. If you receive this notice on our website or by electronic mail, you may request a paper copy.

#### **IV. Who to Contact for Questions and Complaints**

If you want more information about our privacy practices, wish to exercise any of your rights with regard to your PHI, or have any questions about the information in this notice, please use the contact information below. If you believe we may have violated your privacy rights, or if you disagree with a decision that we made in connection with your PHI, you may file a complaint using the contact information below. You may also submit a written complaint to the Secretary of the U.S. Department of Health and Human Services, Office of Civil Rights. You may locate the regional office nearest to you by visiting their web site, <http://www.hhs.gov/ocr/privacyhowtofile.htm>. We fully support your right to the privacy of your PHI, and will not retaliate in any way if you choose to file a complaint.

Mailing Address:	Assurant Employee Benefits Privacy Office P.O. Box 419052 Kansas City, MO 64141-6052
Telephone:	800.733.7879
Email:	PrivacyOffice.AEB@assurant.com
Web Site:	<a href="http://www.assurantemployeebenefits.com">www.assurantemployeebenefits.com</a>

#### **V. Organizations Covered by This Notice**

This notice applies to the privacy practices of the organizations referenced below. These organizations may share your PHI with each other as needed for payment activities or health care operations relating to the dental or vision insurance that we provide.

#### **VI. Effective Date of This Notice: April 14, 2003**

**\* In this notice, "we", "us", and "our" refer to Union Security Insurance Company and the following prepaid dental companies: DentiCare of Alabama, Inc., Union Security DentalCare of Georgia, Inc., UDC Dental California, Inc., UDC Ohio, Inc., dba United Dental Care of Ohio, Inc., United Dental Care of Arizona, Inc., United Dental Care of Colorado, Inc., United Dental Care of Michigan, Inc., United Dental Care of Missouri, Inc., United Dental Care of New Mexico, Inc., United Dental Care of Texas, Inc., United Dental Care of Utah, Inc., Union Security DentalCare of New Jersey, Inc.**

# CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.  
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

## OFFICE USE ONLY CERTIFICATION OF FILING

**1 Name of business entity filing form, and the city, state and country of the business entity's place of business.**  
United Dental Care of Texas, Inc.  
Plano, TX United States

Certificate Number:  
2017-194973

Date Filed:  
04/19/2017

**2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.**  
City of Austin

Date Acknowledged:

**3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.**  
RFP EAD0131  
Prepaid Dental

4 Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary
Sun Life Assurance Company of Canada	Wellesley Hills, MA United States	X	

**5 Check only if there is NO Interested Party.**

**6 AFFIDAVIT**

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

**ROBIN L. PIERCE**  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Clay County  
My Commission Expires: September 23, 2020  
Commission Number: 12616812

*Stacia N. Almgvist*

Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said Stacia N. Almgvist, this the 19 day of April, 2017, to certify which, witness my hand and seal of office.

*Robin L. Pierce*  
Signature of officer administering oath

Robin L. Pierce  
Printed name of officer administering oath

Notary Public  
Title of officer administering oath

**GOAL DETERMINATION REQUEST FORM**

<b>Buyer Name/Phone</b>	Erin D'Vincent 4-3070	<b>PM Name/Phone</b>	Sheri Altes
<b>Sponsor/User Dept.</b>	HRD	<b>Sponsor Name/Phone</b>	974-3034
<b>Solicitation No</b>	EAD0131	<b>Project Name</b>	Retiree Dental
<b>Contract Amount</b>	\$17,000,000	<b>Ad Date (if applicable)</b>	3/13/2017
<b>Procurement Type</b>			
<input type="checkbox"/> AD – CSP <input type="checkbox"/> AD – Design Build Op Maint <input type="checkbox"/> IFB – IDIQ <input checked="" type="checkbox"/> Nonprofessional Services <input type="checkbox"/> Critical Business Need <input type="checkbox"/> Sole Source* <input type="checkbox"/> AD – CM@R <input type="checkbox"/> AD – JOC <input type="checkbox"/> PS – Project Specific <input type="checkbox"/> Commodities/Goods <input type="checkbox"/> Interlocal Agreement <input type="checkbox"/> AD – Design Build <input type="checkbox"/> IFB – Construction <input type="checkbox"/> PS – Rotation List <input type="checkbox"/> Cooperative Agreement <input type="checkbox"/> Ratification			
<b>Provide Project Description**</b>			
Dental insurance for City of Austin Retirees			
<b>Project History: Was a solicitation previously issued; if so were goals established? Were subcontractors/subconsultants utilized? Include prior Solicitation No.</b>			
RFP JSD0103 issued with no goals			
<b>List the scopes of work (commodity codes) for this project. (Attach commodity breakdown by percentage; eCAPRIS printout acceptable)</b>			
95348 - 100%			
Erin D'Vincent		2/24/2017	
<b>Buyer Confirmation</b>		<b>Date</b>	

\* Sole Source must include Certificate of Exemption  
 \*\*Project Description not required for Sole Source

<b>FOR SMBR USE ONLY</b>			
<b>Date Received</b>	2/24/2017	<b>Date Assigned to BDC</b>	02/24/2017
<b>In accordance with Chapter 2-9(A-D)-19 of the Austin City Code, SMBR makes the following determination:</b>			
<input type="checkbox"/> Goals	% MBE	% WBE	
<input type="checkbox"/> Subgoals	% African American	% Hispanic	
	% Asian/Native American	% WBE	
<input type="checkbox"/> Exempt from MBE/WBE Procurement Program		<input checked="" type="checkbox"/> No Goals	

**GOAL DETERMINATION REQUEST FORM**

**This determination is based upon the following:**

- |  |   |
|--|---|
| <input type="checkbox"/> Insufficient availability of M/WBEs       | <input checked="" type="checkbox"/> No availability of M/WBEs       |
| <input type="checkbox"/> Insufficient subcontracting opportunities | <input checked="" type="checkbox"/> No subcontracting opportunities |
| <input type="checkbox"/> Sufficient availability of M/WBEs         | <input type="checkbox"/> Sufficient subcontracting opportunities    |
| <input type="checkbox"/> Sole Source                               | <input type="checkbox"/> Other                                      |

*If Other was selected, provide reasoning:*

**MBE/WBE/DBE Availability**

There are no certified firms for the one scope of work listed.

**Subcontracting Opportunities Identified**

There are no subcontracting opportunities.

Jessica Oberembt	
SMBR Staff <i>Jess Oberembt</i>	Signature/ Date <i>02/27/17</i>
SMBR Director or Designee <i>Jess Oberembt</i>	Date
Returned to/ Date <i>Jess Oberembt</i>	<i>3-2-17</i>



## **DISCLAIMER**

**The information contained in this bid tabulation is for information only and does not constitute actual award/execution of a contract.**

### **City of Austin Purchasing Office Contact Information:**

Phone: 512-974-2500

Email: [VendorReg@AustinTexas.Gov](mailto:VendorReg@AustinTexas.Gov)

Physical Address: 124 8th St., Third floor, Austin, 78701

Open Hours: 7:45 a.m. to 4:45 p.m. Monday-Friday





# City of Austin

## Purchasing Office

P.O. Box 1088, Austin, TX 78767

June 26, 2017

Sun Life Assurance Company of Canada  
Matt Hershberger  
Senior Group Representative  
One Sun Life Executive Park  
Wellesley Hills, MA 02481  
[Matt.Hershberger@sunlife.com](mailto:Matt.Hershberger@sunlife.com)

Subject: Best and Final Offer of RFP EAD0131, Retiree Dental

Dear Mr. Hershberger:

The evaluation team is coming to a close on the review and evaluation of the Offer received for this solicitation. However, further clarification to your Offer is requested. This information is to complete the evaluation process. Please provide a written response to each of the items below.

Clarifications include:

- Confirm the number of general dentists contracted for both the DHMO and DPO for Central Texas and Austin specifically
- Confirm the number of specialists contracted for both the DHMO and DPO for Central Texas and Austin specifically
- Confirm the number of dentists added and dropped in the past 12 months in Central Texas and the Austin area for the DHMO and DPO
- Provide the ratio of dentists and specialists for both DHMO and DPO in Central Texas and the Austin area
- Verify dependent coverage up to age 26 years as our current carrier
- Clarify the customer service hold time information
- Provide references for both types of plans and clarify which references are for which plan (DHMO and DPO)
- Confirm that Sun Life will remove any membership enrollment requirements for the duration on the contract (2018-2022)
- Does Sun Life agree to Liquidated Damages in the 0400 page 3 of 6, Section 5. listed in the 0625 Performance Measures
- Confirm acceptance and sign the HIPAA document on Section 0640
- Confirm the match the current out of pocket copays for the retirees on the DHMO plan
- Confirm agreement to the Performance Measures without any exception

Secondly, the City has identified your company as a finalist and is requesting a Best and Final Offer (BAFO) in regards to your submittal.

The BAFO pricing document is attached and must be completed on the form provided. The BAFO should be based upon the Dental DPO and DHMO plan designs stated in the RFP solicitation.

- Propose your most competitive rates for the current plan design for the full five (5) year contracting periods, without stipulations. The rates shall be guaranteed for the initial 36-month period. Firm rates or maximum rate caps shall be provided for the two (2) 12 month extension periods.
- Your monthly rates shall be evenly divisible by two (2) (i.e. – shall end in an even number).



# City of Austin

## Purchasing Office

P.O. Box 1088, Austin, TX 78767

**All information is due back to me by 12:00 PM, local time, on Wednesday, June 28, 2017.**

Lastly, I will be out of office starting June 29, 2017 until July 10, 2017. To facilitate the clarification discussions, Roger Stricklin is hereby added as an Authorized Contact for the above-referenced solicitation. He may be contacting you for additional information.

Roger Stricklin  
Contract Management Specialist IV  
[Roger.Stricklin@austintexas.gov](mailto:Roger.Stricklin@austintexas.gov)  
512-974-1727

Thank you for your participation in this competitive solicitation. We appreciate your interest in doing business with the City of Austin.

Sincerely,

Erin D'Vincent  
Procurement Specialist IV  
City of Austin  
Purchasing Office

**BAFO  
0610: RATE FORM  
SOLICITATION NUMBER: RFP EAD0131**

PPO/INDEMNITY DENTAL RATE FORM					
Plan Option:	\$50 Deductible, \$1,000 Annual Plan Maximum Dental Plan Design				
Classification of Eligible Subscriber	Monthly Rate for Plan Year 2018	Monthly Rate for Plan Year 2019	Monthly Rate for Plan Year 2020	Monthly Rate for Plan Year 2021	Monthly Rate for Plan Year 2022
Retiree Only					
Retiree Plus One					
Retiree & Family					
ALTERNATE PLAN: PPO/INDEMNITY DENTAL RATE FORM					
Optional Plan					
Classification of Eligible Subscriber	Monthly Rate for Plan Year 2018	Monthly Rate for Plan Year 2019	Monthly Rate for Plan Year 2020	Monthly Rate for Plan Year 2021	Monthly Rate for Plan Year 2022
Retiree Only					
Retiree Plus One					
Retiree & Family					
DMO/PRE-PAID PLAN DESIGN DENTAL RATE FORM					
Classification of Eligible Subscriber	Monthly Rate for Plan Year 2018	Monthly Rate for Plan Year 2019	Monthly Rate for Plan Year 2020	Monthly Rate for Plan Year 2021	Monthly Rate for Plan Year 2022
Retiree Only					
Retiree Plus One					
Retiree & Family					

For Purposes of Rates.

Retiree Only could also be:	A Surviving Spouse or Surviving Dependent
Retiree Plus One could also be:	A Surviving Spouse & a Dependent or Two Surviving Dependents
Retiree & Family could also be:	A Surviving Spouse & 2 or more Surviving Dependents or 3 or more Surviving Dependents

**CITY OF AUSTIN**  
**0640 HIPAA BUSINESS ASSOCIATE AGREEMENT**  
**RFP EAD0131**

This Agreement is made and entered into between the City of Austin (“City”) and the person or entity identified in the signature block below (the “Business Associate”), and is made with reference to the following facts:

- i. The Program is subject to the privacy and other requirements of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”);
- ii. Under the HIPAA Rules (defined below), the City is required to enter into a written agreement with the Business Associate under the terms and conditions provided below; and
- iii. The parties wish to enter into this Agreement in order to comply with the HIPAA Rules (defined below), and to safeguard Protected Health Information (defined below) appropriately.

Therefore, in consideration of their mutual undertakings set out in this Agreement, and for other good and valuable consideration, the parties agree to the following:

1. **Definitions.** As used in this Agreement:

- A. **“HIPAA Rules”** and/or **“HIPAA”** shall mean the Privacy, Security, Breach Notification, and Enforcement Rules implementing HIPAA and set out at 45 CFR Part 160 and Part 164.
- B. **“Individually Identifiable Health Information”** shall mean information collected from an individual, including demographic information, that:
  - i. Is created or received by the City and provided to the Business Associate; and
  - ii. Relates to: (a) the past, present, or future physical or mental health or condition of an individual; (b) the provision of healthcare to an individual; or (c) the past, present, or future payment for the provision of healthcare to an individual; and
  - iii. Which identifies the individual, or with respect to which there is a reasonable basis to believe the information can be used to identify the individual.
- C. **“Protected Health Information”** shall mean Individually Identifiable Health Information that is: (i) transmitted by electronic media; (ii) maintained in any medium constituting electronic media; or (iii) transmitted or maintained in any other form or medium.
- D. **“Agent”** and **“Subcontractor”** shall mean a third party who is not an employee in the workforce of the Business Associate and who receives Protected Health Information from the Business Associate for purposes of carrying out any part of the Business Associate’s responsibilities under its services agreement with the City.
- E. **“Business Associate”** shall have the same meaning as the term “business associate” set out at 45 CFR Part 160.103, and in reference to the party to this agreement, shall be the party designated as a Business Associate.

2. **Permitted Uses and Disclosures of Protected Health Information by Business Associate.**

- A. The Business Associate may use or disclose Protected Health Information for the following purposes only: (i) to receive and process claims for payment for eligible Program participants; (ii) to maintain claims history and patient profiles; (iii) to maintain current eligibility data on Program participants; and (iv) for the management and administration of its internal business processes that relate to its legal responsibilities and its responsibilities under the services contract between the City and the Business Associate.
- B. The Business Associate may use or disclose Protected Health Information as required by law.

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- C. The Business Associate shall make its internal practices, books and records, including policies and procedures, relating to the use and disclosures of Protected Health Information available to the Secretary of the United States Department of Health and Human Services for purposes of determining compliance with HIPAA.
- D. Within ten (10) calendar days of receipt of a request by the City, the Business Associate shall permit any individual whose Protected Health Information is maintained by the Business Associate to have access to and to copy his or her Protected Health Information, in the format requested, unless it is not readily producible in such format, in which case it shall be produced in hard copy format. In the event any individual requests access to Protected Health Information held by the Business Associate directly from the Business Associate, the Business Associate shall, within two (2) days forward such request to the City.

**3. Prohibitions on Use and Disclosure of Protected Health Information by Business Associate.**

- A. The Business Associate will not use or further disclose Personal Health Information except as permitted or required by this Agreement, or as required by law.
- B. The Business Associate shall not sell Protected Health Information, including patient or enrollee lists, nor use any Protected Health Information to engage in "marketing," as that term is defined in 45 CFR Part 164.501
- C. The Business Associate shall not disclose Personal Health Information to any member of its workforce unless the Business Associate has advised such person of the Business Associate's obligations under this Agreement and of the consequences for such person and for the Business Associate of violating them.
- D. The Business Associate shall not disclose Personal Health Information to any Agent, Subcontractor or other third party unless disclosure is required by law, or unless expressly approved in advance by the City in writing. Any such disclosure shall be made in accordance with 45 CFR Parts 164.502 and 164.308, and only upon the written agreement of the Agent, Subcontractor or other third party which shall include, at a minimum:
  - i. The agreement of such Agent, Subcontractor or other third party that creates, receives, maintains, or transmits protected health information on behalf of the Business Associate agree to be bound to the same restrictions, conditions and requirements that apply to Business Associate with respect to such information;
  - ii. Reasonable assurances from such Agent, Subcontractor or other third party that Personal Health Information will be held confidential as provided in this Agreement, and only disclosed as required by law or for the purposes for which it was disclosed to such Agent, Subcontractor or other third party; and
  - iii. An agreement from such Agent, Subcontractor or other third party to immediately notify the Business Associate of any breaches of the confidentiality of Personal Health Information, to the extent it has obtained knowledge of such breach.

**4. Safeguards for Protected Health Information.**

- A. The Business Associate shall implement appropriate safeguards to prevent use or disclosure of Personal Health Information other than as permitted by this Agreement. The Business Associate shall provide the City with information concerning such safeguards as the City may from time to time request. Upon reasonable request, the Business Associate shall give the City access for inspection and copying to the Business Associate's facilities used for the maintenance and processing of Personal Health Information, and to its books, records, practices, policies, and procedures concerning the use and disclosure of Personal Health Information.

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- B. The Business Associate and any Agent or Subcontractor shall comply with the minimum necessary requirements set forth in the HIPAA Rules when using or disclosing Personal Health Information. The Business Associate also agrees to mitigate, to the extent possible, any harmful effects of an improper use or disclosure of Personal Health Information by the Business Associate in violation of the requirements of this Agreement. The Business Associate shall make its internal practices, books, records, including policies and procedures, related to the use and disclosures of protected health information available to the Secretary of the United States Department of Health and Human Services, for purposes of determining compliance with HIPAA.
- C. The Business Associate shall maintain a record of all Personal Health Information disclosures made other than for the permitted purposes of this Agreement, including the date of disclosure, the name and, if known, the address of the recipient of the Personal Health Information, a brief description of the Personal Health Information disclosed, and the purposes of the disclosures.
- D. The Business Associate shall comply with all written directions from the City concerning:
  - i. any special limitations on the use or disclosure of Protected Health Information beyond the requirements of the HIPAA Rules;
  - ii. any changes in, or revocation of, the permission by an individual to use or disclose his or her Protected Health Information that may affect the Business Associate's use or disclosure of such information; and
  - iii. any restriction on the use or disclosure of Protected Health Information that the City has agreed to that may affect the Business Associate's use or disclosure of such information.
- E. Within ten (10) calendar days of notice by the City to the Business Associate that the City has received a request for an accounting of disclosures of Personal Health Information regarding an individual, the Business Associate shall make available to the City such information as is in the Business Associate's possession and is required for the City to make the accounting.
- F. Within five (5) business days of becoming aware of a use or disclosure of Personal Health Information in violation of this Agreement by the Business Associate, Agent or Subcontractor, the Business Associate shall report such disclosure or use in writing to the City and describe the remedial action taken or proposed to be taken with respect to such use or disclosure.
- G. The Business Associate shall make any amendment(s) to Protected Health Information in a designated record set as directed or agreed to by the City pursuant to 45 CFR Part 164.526, or take other measures as necessary to satisfy the City's obligations under 45 CFR Part 164.526.
- H. The Business Associate acknowledges that the additional requirements of the HITECH Act (Health Information Technology for Economic and Clinic Health Act enacted as part of the American Recovery and Reinvestment Act of 2009) and the Final Rule (also known as the Omnibus Rule) issued by the U.S. Department of Health and Human Services on January 25, 2013 are applicable to the Business Associate. The Business Associate further acknowledges restrictions on the sales and marketing of protected health information without the explicit authorization of the individual.
- I. To the extent the Business Associate is to carry out one of more of the City's obligations under Subpart E of 45 C.F.R. Part 164, the Business Associate will comply with the requirements of Subpart E that apply to the City in the performance of such obligations.
- J. The Business Associate may not use or disclose protected health information in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by the City except for the specific uses and disclosures set forth below:

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- i. The Business Associate may disclose protected health information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, provided the disclosures are required by law, or the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that the information remains confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies the Business Associate of any instances in which it is aware in which the confidentiality of the information has been breached.
- ii. The Business Associate may provide data aggregation services related to the health care operations of the City.

**5. Term of this Agreement; Termination; Procedures upon Termination.**

- A. This Agreement shall become effective upon execution by the parties, and shall be effective as of the date of the last party to sign.
- B. The term of this Agreement shall expire with the close of business the contract expiration date. Provided, that either party may terminate this Agreement on any basis at any time prior to the expiration of the term upon written notice to the other party.
- C. Except as provided in paragraph D, below, upon termination of this Agreement, the Business Associate shall return or destroy all Personal Health Information received from the City, or created or received by the Business Associate on behalf of the City. This provision shall also apply to Personal Health Information that is in the possession of Agents or Subcontractors of the Business Associate. The Business Associate shall retain no copies of the Personal Health Information.
- D. In the event that the Business Associate determines that returning or destroying the Personal Health Information is not feasible, the Business Associate shall provide to the City written notification of the conditions that make return or destruction infeasible. Upon agreement by the City that return or destruction of Personal Health Information is not feasible, the Business Associate shall extend the protections of this Agreement to such Personal Health Information and limit further uses and disclosures of such Personal Health Information to those purposes that make the return or destruction infeasible, for so long as the Business Associate maintains the Personal Health Information. The Business Associate shall continue to use appropriate safeguards and comply with Subpart C of 45 C.F.R. Part 164 with respect to electronic protected health information to prevent use or disclosure of the protected health information, other than as provided for in this Section, for as long as Business Associate retains the protected health information.
- E. The Business Associate shall not use or disclosure the protected health information retained by the Business Associate other than for the purposes for which the protected health information was retained and subject to the same conditions set out in this Agreement which applied prior to Termination.
- F. Survival. The obligations of the Business Associate under this Section shall survive the termination of this Agreement.

**6. Other Provisions.**

- A. **Indemnification.** The Business Associate shall indemnify and hold harmless the City from and against any and all costs, liabilities, losses, damages and expenses (including, but not limited to, reasonable attorneys' fees) resulting from any claim, lawsuit or proceeding brought by a third party against the City and arising from or related to a breach or alleged breach by the Business Associate or the Business Associate's Agents or Subcontractors of the obligations referenced herein. The Business Associate's obligation to indemnify shall survive the expiration or termination of the Contract.

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- B. **Remedies for Breach.** Without limiting the rights of the parties under paragraph 5, should the Business Associate breach any of its obligations under this Agreement, the City may at its option: (i) exercise its rights of access and inspection under paragraph 2, above; and/or (ii) report the breach to the Secretary of the United States Department of Health and Human Services.
- C. **Notices.** Any notice by a party required or provided for under this Agreement shall be effective upon delivery via regular or electronic mail to the other party at the following address:

<b>To the City:</b>	<b>To the Business Associate:</b>
Name: _____	Name: _____
Phone: _____	Phone: _____
Fax: _____	Fax: _____
Email: _____	Email: _____

- D. **Amendments.** Upon the enactment of any law or regulation affecting the use or disclosure of protected health information, or the publication of any decision of a court of the United State or State of Texas relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, the City may, by written notice to the Business Associate, amend this Agreement in such a manner as the City determines necessary to comply with such law or regulation. Notwithstanding the foregoing, if the City and Business Associate have not amended this Agreement to address a law or final regulation that becomes effective after the effective date of this Agreement and that is applicable to this Agreement, then upon the effective date of such law or regulation (or any portion thereof) this Agreement shall be amended automatically and deemed to incorporate such new or revised provisions as are necessary for this Agreement to be consistent with such law or regulation for the City and the Business Associate to be and remain in compliance with all applicable laws and regulations.
- E. **Construction of Terms.** A reference in this Agreement to a section in the HIPAA Rules means the section in effect or as amended at the time. Any ambiguity in this Agreement shall be interpreted to permit compliance with the HIPAA Rules.

Agreed to by the parties through the signatures of their authorized representatives below:

**THE CITY OF AUSTIN, TEXAS**

**THE BUSINESS ASSOCIATE:**

By: \_\_\_\_\_  
[Signature]

By: \_\_\_\_\_  
[Signature]

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Organization Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## MEMORANDUM

**TO:** James Scarboro, Purchasing Officer, Financial Services Department

**FROM:** Veronica Briseño, Director, Small & Minority Business Resources Department 

**DATE:** May 11, 2017

**SUBJECT:** Retiree Dental Insurance, (RFP 5800 EAD0131), Delta Dental Insurance Co

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The Small & Minority Business Resources Department (SMBR) determined that no goals were appropriate for this project. Even though no goals have been established for this solicitation, per the instructions in the solicitation, if the Bidder/Proposer identifies areas of subcontracting they are instructed to contact SMBR and comply with the City's MBE/WBE Procurement Program.

SMBR has reviewed the No Goals Utilization Plan submitted by Delta Dental Insurance Co (Delta) for the above referenced project. Based on SMBR's review, Delta did not comply with the MBE/WBE requirements contained in the solicitation; therefore, it has been determined that the No Goals Utilization Plan submitted by Delta is non-compliant.

Delta did not comply with the following sections of Chapter 2-9C of the City Code:

(E) Where the Bidder/ Proposer cannot achieve the Goals or Subgoals, its compliance plan shall document its Good Faith Efforts to achieve the Goals or Subgoals....SMBR will consider, at a minimum, the Bidder/ Proposer's efforts to do the following:

(1) Soliciting through at least two reasonable, available, and verifiable means MBEs/WBEs within the SLBP who have the capability to perform the Contract work. The Bidder must solicit this interest within sufficient time to allow the MBEs/WBEs to respond to the Solicitation. The Bidder/Proposer must take appropriate steps to follow up initial Solicitations with interested MBEs/WBEs. The Bidder/Proposer must state a specific and verifiable reason for not contacting each certified Firm with a Significant Local Business Presence...

(4) Publishing notice in a local publication such as a newspaper, trade association publication, or via electronic/social media.

(9) Effectively using the services of Minority Person/Women community organizations; Minority Person/Women Contractors groups; local, state, and federal Minority Person/Women business assistance offices; and other organizations to provide assistance in solicitation and utilization of MBEs, WBEs and/or DBEs.

A review of Delta's No Goals Utilization Plan revealed that Delta did not perform the required good faith effort and failed to provide the required good faith effort documentation as outlined in 2-9C-21 of the

City Ordinance. Specifically, Delta failed to provide documentation showing contact with any MBE/WBE firms, did not contact the Minority Trade Associations and failed to publish the solicitation in a local publication. Therefore, Delta is deemed non-compliant.

If you have any questions, please contact Jessica Oberembt, Business Development Counselor, at 512-974-7699.

cc: Edward Campos, Assistant Director, SMBR  
Shawn Willett, Deputy Purchasing Officer, Purchasing Office, Financial Services Department  
Yolanda Miller, Deputy Purchasing Officer, Purchasing Office, Financial Services Department  
Tamela Saldana, Compliance Division Manager, SMBR  
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